

**IMAGINE MORE<sup>®</sup>**

2025 Annual Report

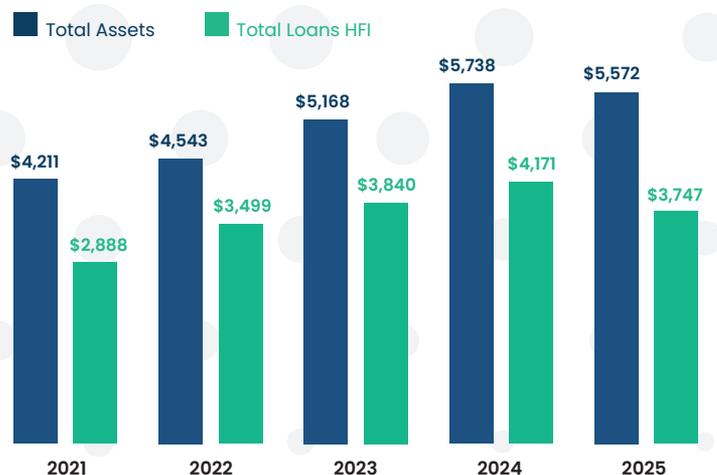


As a digital bank, we are built for scalable growth and long-term shareholder returns. Our branchless, technology-driven model enables efficient nationwide deposit gathering, fintech partnerships through Banking-as-a-Service and disciplined capital deployment across lending businesses with strong risk-adjusted returns. This digital foundation drives operating leverage, margin expansion and balance sheet flexibility as banking continues its shift to digital platforms.

TOTAL DEPOSITS (\$ in millions)

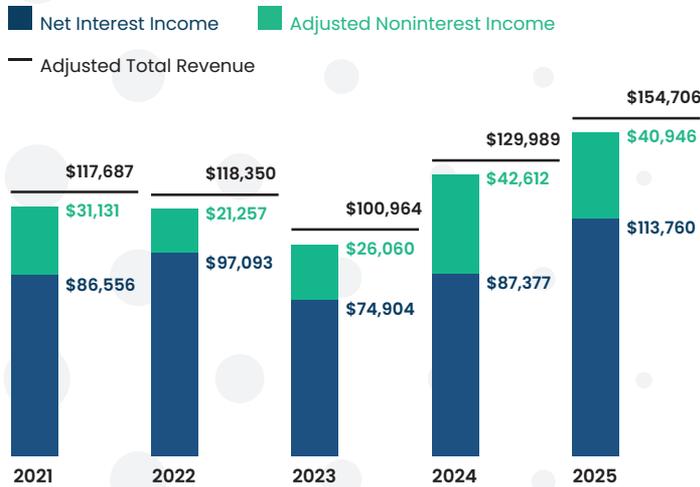


BALANCE SHEET (\$ in millions)



# 2025 AT A GLANCE

## REVENUE (\$ in thousands)



## BOOK VALUE PER SHARE



**\$5.6B**

TOTAL ASSETS

**\$3.7B**

TOTAL LOANS

**\$155MM**

ADJUSTED TOTAL REVENUE

**\$4.8B**

TOTAL DEPOSITS

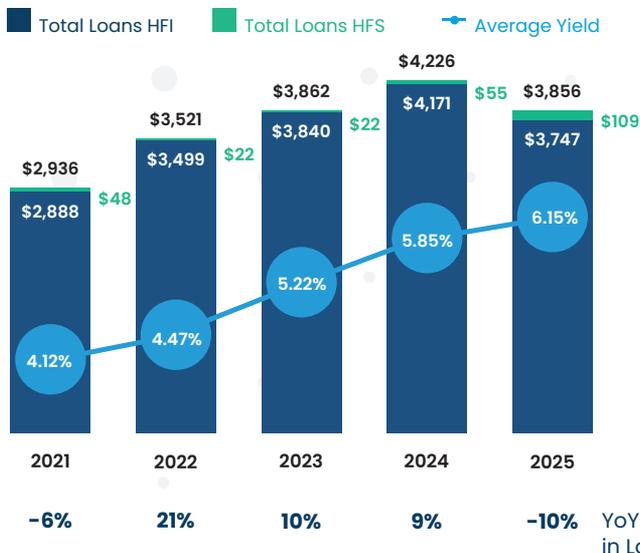
**19%**

YEAR OVER YEAR  
ADJUSTED  
REVENUE GROWTH

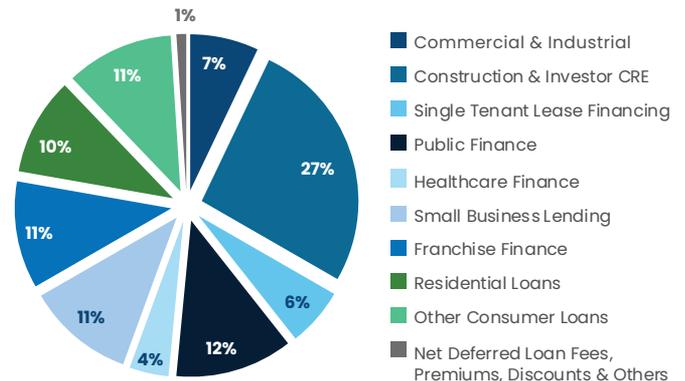
**6.3%**

10-YEAR CAGR TANGIBLE  
BOOK VALUE PER SHARE

## TOTAL LOAN PORTFOLIO AND AVERAGE YIELD (\$ in millions)



## PORTFOLIO COMPOSITION



DEAR FELLOW **SHAREHOLDER**,  
 Twenty-six years ago, we embarked on our journey to create a better banking experience. One that was delivered entirely online, challenged the branch-based model that defined our industry and empowered customers to bank on their own terms.

That approach continues to guide us today. Like many young companies, our early days came with their share of hurdles. We built our success, and helped reshape the banking industry, by staying true to our roots as innovators and trailblazers. That same resilience and entrepreneurial spirit carried us through 2025, a year that admittedly required operational rigor, adaptability and decisive action.

Today, First Internet Bancorp is financially and strategically well-positioned to build on the progress we made in 2025. We closed the year delivering strong fourth quarter results, including improved revenue momentum, expanded net interest margin and solid loan production. Confronting credit-related challenges in our Small Business Administration (SBA) and franchise finance lines head-on, we took proactive steps throughout the year to strengthen our balance sheet, position ourselves for continued growth and refocus our efforts on doing what we do best: helping customers chart their own financial paths.

### 2025 QUARTERLY FTE NET INTEREST MARGIN



### SOLID PERFORMANCE DRIVES SHAREHOLDER VALUE

In 2025, we delivered strong core financial performance while advancing several meaningful strategic initiatives. Net interest income increased 30% year over year, reflecting disciplined balance sheet management, improved funding costs as deposits repriced and robust commercial loan production. We also completed the successful sale of \$851 million in single tenant lease financing loans to Blackstone, demonstrating our ability to originate high-quality assets and execute strategically in the secondary market.

#### TOTAL ORIGINATIONS

(\$ IN MILLIONS)



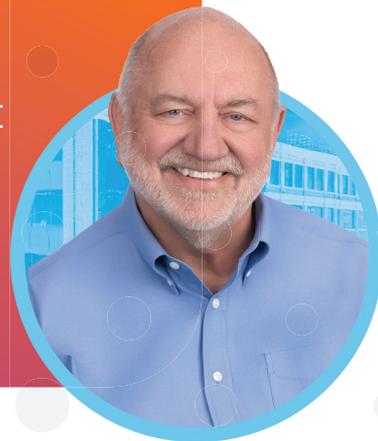
Execution remained focused on areas that drive long-term shareholder value. Commercial production was particularly strong in construction and investor commercial real estate, commercial and industrial, and single tenant lease financing, and we ended the year with solid pipelines that position us for continued net interest income growth in 2026 and beyond. At the same time, we achieved exceptional growth in our Banking-as-a-Service initiatives and continued investing in technology to enhance underwriting precision and operational efficiency – reinforcing both our competitive positioning and our commitment to sustainable growth.

### GROWTH THROUGH DIVERSIFIED LENDING

Lending remains a core driver of our performance and strategic momentum. We delivered strong originations in 2025 across construction and investor commercial real estate, commercial and industrial, and small business lending. This production reflects both

We enter the coming year with clear priorities: disciplined growth, continued innovation and prudent risk management to create long-term value.

**David B. Becker**  
Chairman and Chief Executive Officer



prudent underwriting and the continued strength of our commercial franchise. We also retained our position as a top SBA 7(a) lender, highlighting a platform that enhances portfolio diversification and revenue resilience. At the same time, we are expanding into targeted verticals – including wealth advisory lending, equipment finance, and fintech lending partnerships – that enhance diversification while leveraging our digital capabilities and balance sheet strength.

### SCALING WITH STRATEGIC FINTECH PARTNERSHIPS

Since our inception, we have operated with an innovation-first, technology-forward mindset. Today, our Banking-as-a-Service and fintech partnerships extend that legacy in meaningful, measurable ways. These relationships now support approximately \$165 billion in annual payments volume, reflecting the scale of the programs we help power. Partnership deposits of \$2.0 billion further enhance our liquidity profile and provide meaningful balance sheet flexibility, strengthening our ability to deploy capital strategically.

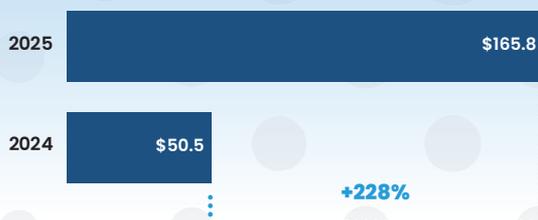
In 2025, we were honored as a co-recipient of Payments Innovation of the Year from *American Banker* for work with our partner, Increase, to deliver High-fidelity ACH – a solution designed to bring greater reliability, transparency and insight to high-volume ACH originators. This recognition underscores the strength of our partnerships and the differentiated capabilities we bring to market.

### TOTAL FINTECH DEPOSITS (\$ IN MILLIONS)



These partnerships support deposit programs, payment processing and lending programs while leveraging our regulatory and risk management expertise and deepening our technology capabilities. Executed with careful oversight and strong controls, this model enhances our competitive positioning and represents a durable, increasingly meaningful contributor to our long-term growth strategy.

### ANNUAL FINTECH PAYMENT VOLUME (\$ IN BILLIONS)



## INNOVATION AS A COMPETITIVE ADVANTAGE

As a digitally native company, we continue to modernize our business – strengthening data infrastructure, enhancing automation and embedding advanced analytics across credit and operational processes. These investments improve risk assessment, strengthen portfolio monitoring and increase operating efficiency across the organization.

We embed AI and automation where they create measurable impact, accelerating execution while reinforcing the rigor that supports consistent performance. This modernization reduces the need for manual processes and enriches human intelligence, allowing us to optimize customer touchpoints.

## LOOKING AHEAD

We enter the coming year with clear priorities: disciplined growth, continued innovation and prudent risk management to create long-term value. The integration of our digital infrastructure, flexible balance sheet and underwriting discipline provides a scalable foundation for consistent, long-term growth. On behalf of the dedicated team members who deliver on our mission every day and our engaged Board of Directors, I want to thank our shareholders for their continued trust and support.

*David B Becker*

### DAVID B. BECKER

Chairman and Chief Executive Officer



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2025.

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number **001-35750**

**First Internet Bancorp**

(Exact Name of Registrant as Specified in its Charter)

**Indiana**

(State or other jurisdiction of  
incorporation or organization)

**20-3489991**

(I.R.S. Employer  
Identification No.)

**8701 E. 116th Street**

**Fishers, Indiana**

(Address of principal executive offices)

**46038**

(Zip Code)

**(317) 532-7900**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                                | Trading Symbols | Name of exchange on which registered |
|--|-----------------|--------------------------------------|
| Common stock, without par value                    | INBK            | The Nasdaq Stock Market LLC          |
| 6.0% Fixed to Floating Subordinated Notes due 2029 | INBKZ           | The Nasdaq Stock Market LLC          |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1 (b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2025, the last business day of the registrant’s most recently completed second fiscal quarter, was approximately \$215.0 million, based on the closing sale price for the registrant’s common stock on that date. For purposes of determining this number, all officers and directors of the registrant are considered to be affiliates of the registrant. This number is provided only for the purpose of this report and does not represent an admission by either the registrant or any such person as to the status of such person.

As of March 6, 2026, the registrant had 8,716,662 shares of common stock issued and outstanding.

### **Documents Incorporated By Reference**

Portions of our definitive proxy statement for our 2026 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

**First Internet Bancorp**  
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## Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts, but rather statements based on the current expectations of First Internet Bancorp and its consolidated subsidiaries (the “Company,” “we,” “our,” or “us”) regarding our business strategies, intended results and future performance, including, without limitation, statements concerning the financial condition, results of operations, trends in lending policies and loan programs, prospective business partnerships, objectives, future performance and business of the Company. Forward-looking statements are generally preceded by terms such as “anticipate,” “attempt,” “believe,” “can,” “continue,” “could,” “effort,” “estimate,” “expect,” “goal,” “intend,” “likely,” “may,” “objective,” “optimistic,” “pending,” “plan,” “position,” “potential,” “preliminary,” “remain,” “scale,” “should,” “will,” “would” or other similar expressions. Such statements are subject to certain risks and uncertainties including: our business and operations and the business and operations of our vendors and customers; general economic conditions, whether national or regional, and conditions in the lending markets in which we participate that may have an adverse effect on the demand for our loans and other products (including the effects of inflationary pressures, changes in interest rates, slowdowns in economic growth, the impact of tariffs and trade policies, and the potential for high unemployment rates, as well as the financial stress on borrowers and changes to customer and client behavior and credit risk as a result of the foregoing); our credit quality and related levels of nonperforming assets and loan losses, and the value and salability of the real estate that is the collateral for our loans; failures or breaches of or interruptions in the communication and information systems on which we rely to conduct our business that could reduce our revenues, increase our costs or lead to disruptions in our business; our dependence on capital distributions from First Internet Bank of Indiana (the “Bank”); results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our allowance for credit losses or to write-down assets; changing bank regulatory conditions, policies or programs, whether arising as new legislation or regulatory initiatives, that could lead to restrictions on activities of banks generally, or the Bank in particular; more restrictive regulatory capital requirements; increased costs, including deposit insurance premiums; regulation or prohibition of certain income producing activities or changes in the secondary market for loans and other products; changes in market rates and prices that may adversely impact the value of securities, loans, deposits and other financial instruments and the interest rate sensitivity of our balance sheet; our liquidity requirements being adversely affected by changes in our assets and liabilities; the effect of legislative or regulatory developments, including changes in laws concerning taxes, banking, securities, insurance and other aspects of the financial services industry; potential impacts of adverse developments in the banking industry, including impacts on customer confidence, deposit outflows, liquidity and the regulatory response thereto; inaccuracies or other failures from the use of models, including the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions; potential claims, damages, penalties, fines, costs and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions; competitive factors among financial services organizations, including product and pricing pressures and our ability to attract, develop and retain qualified banking professionals; the growth and profitability of noninterest or fee income being less than expected; the loss of any key members of senior management; the effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the Securities and Exchange Commission (the “SEC”), the Public Company Accounting Oversight Board and other regulatory agencies; and the effect of fiscal and governmental policies of the United States federal government. Additional factors that may affect our results include those discussed under the heading “Risk Factors” in this Annual Report on Form 10-K. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The factors listed above could affect our financial performance and could cause our actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

Except as required by law, we do not undertake, and specifically disclaim any obligation, to publicly release the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

## PART I

### Item 1. Business

When we refer to “First Internet Bancorp,” the “Company,” “we,” “us” and “our” in the remainder of this Annual Report on Form 10-K, we mean First Internet Bancorp and its consolidated subsidiaries, unless the context indicates otherwise. References to “First Internet Bank” or the “Bank” refer to First Internet Bank of Indiana, an Indiana chartered bank and wholly-owned subsidiary of the Company.

#### *Overview*

First Internet Bancorp is a bank holding company headquartered in Fishers, Indiana that conducts its primary business activities through its wholly-owned subsidiary, First Internet Bank of Indiana, an Indiana chartered bank. The Bank was the first state-chartered, Federal Deposit Insurance Corporation (“FDIC”) insured Internet bank and commenced banking operations in 1999. First Internet Bancorp was incorporated under the laws of the State of Indiana on September 15, 2005. On March 21, 2006, we consummated a plan of exchange by which we acquired all of the outstanding shares of the Bank.

The Bank has three wholly-owned subsidiaries: First Internet Public Finance Corp., an Indiana corporation that provides a range of public and municipal finance lending and leasing products to governmental entities throughout the United States and acquires securities issued by state and local governments and other municipalities; JKH Realty Services, LLC, a Delaware limited liability company that manages other real estate owned properties as needed; and SPF15, Inc., an Indiana corporation that owns real estate used primarily for the Bank’s principal office.

We offer a wide range of commercial, small business, consumer and municipal banking products and services. We conduct our consumer and small business deposit operations primarily through digital channels on a nationwide basis and have no traditional branch offices. Our consumer lending products are primarily originated on a nationwide basis through relationships with dealerships and financing partners.

Our commercial banking products and services are delivered through a relationship banking model or through strategic partnerships and include commercial and industrial (“C&I”) lending, construction and investor commercial real estate lending, single tenant lease financing, public finance, specialty finance, small business lending, and commercial deposits and treasury management. Our C&I team provides credit solutions such as lines of credit, term loans, owner-occupied commercial real estate loans and corporate credit cards on a regional basis to commercial borrowers primarily in the Midwest and Southwest regions of the United States. We offer construction, investor commercial real estate loans and single tenant lease financing on a nationwide basis. Our public finance team provides a range of public and municipal lending and leasing products to government entities on a nationwide basis. Our specialty finance team manages our healthcare, franchise finance and equipment finance portfolios and our commercial deposits and treasury management team works with the other commercial teams to provide deposit products and treasury management services to our commercial and municipal lending customers as well as pursues commercial deposit opportunities in business segments where we have no credit relationships.

We believe that we differentiate ourselves from larger financial institutions by providing a full suite of services to emerging small businesses and entrepreneurs on a nationwide basis. We ranked as the 7<sup>th</sup> largest Small Business Administration (“SBA”) 7(a) lender for the SBA’s 2025 fiscal year. We also offer a top-ranked small business checking account product to our country’s entrepreneurs.

We also offer payment, deposit, card and lending products and services through partnerships with financial technology companies and platforms (“fintechs”). With the rapid evolution of technology that enables small businesses to manage their finances digitally, fintechs are addressing a significantly growing marketplace. Fintechs have created robust digital offerings, unburdened by legacy technology architecture, to address growing customer expectations. Through partnerships with selected fintechs, we believe our ability to win and retain small business relationships will be significantly enhanced. Furthermore, we believe partnering with select fintechs will allow us to further diversify our revenue sources, acquire deposits and pursue additional asset generation capabilities.

As of December 31, 2025, the Company had consolidated assets of \$5.6 billion, consolidated deposits of \$4.8 billion and shareholders’ equity of \$359.8 million.

## ***Human Capital***

As of December 31, 2025, we employed 355 people consisting of 354 full-time employees and 1 part-time employee. Our team members have been, and continue to be, our most valuable assets, helping to create a strong workplace culture that recognizes the unique contributions and perspectives of each individual.

We empower our employees to “Imagine More.” We seek the game-changers, innovators and dreamers – those who are driven to find a better way of doing things for customers and each other. Our employees are encouraged to think outside the box and look for innovative ways to improve efficiency, drive revenue and decrease costs. One example is our Eureka! program, which promotes the submission of unique ideas to a senior leadership panel for review and possible selection. This program enables our employees to serve as team leads and members of cross-functional teams that develop and implement ideas that drive our business while upskilling in the areas of influential leadership, collaboration, communication, critical thinking and change management.

We encourage community involvement and opportunities that support team members, both inside and outside the office. We commit time, talent and financial support to community initiatives that inspire passion among our team members and support the communities within which we live and work. We allow paid volunteer time and sponsor community initiatives such as Junior Achievement Biztown and Habitat for Humanity. Team members serve on non-profit and other Boards/committees, with organizations such as Indianapolis Neighborhood Housing Partnership (INHP), Indy Chamber, and the Indiana Department of Workforce Development, to assist in meeting the community’s most pressing needs. The result is a sense of pride and increased engagement within the Bank that serves as a catalyst for the greater good.

We focus on the employee experience and culture. We are a digital bank, but we strongly believe in the power of personal connection and collaboration, resulting in a relationship-rich culture that enables us to live and work to our very best potential. To that end, we promote and support the development of employee-led business resource groups, which currently include First Ladies, LIFT (a professional development group), and BELONG (a group engaged in celebrating and learning about our unique experiences, heritages, etc.). We also offer tuition reimbursement for professional development and a robust internal training program. In addition, we provide leadership training and coaching through certified HR coaches and a third-party consultant to help employees develop their skills, leverage their strengths, lead effectively, advance their careers, and perform competently and confidently. The professional development program reimburses approved tuition costs, certification costs, registration fees for classes or relevant seminars, and costs of books and computer-based resources as required by class. The internal training program focuses on topics such as privacy, fair banking, skills-training and many industry specific topics and regulations.

Our focus on employees is evidenced by the number of “best workplace” awards we have been honored with over the years. And we remain committed to an entrepreneurial culture, employee growth and empowerment, robust training and support, and competitive compensation and benefits that will enable us to attract the top talent and continue to “Imagine More.”

## ***Competition***

The markets in which we compete to make loans, attract deposits and provide fee based financial services are highly competitive. For consumer banking activities, we compete with other digital banks and fintech companies, in addition to traditional banks, savings banks, credit unions, investment banks, insurance companies, securities brokerages and other financial institutions, as nearly all have some form of digital delivery for their consumer banking services.

For our C&I lending activities, we compete with super-regional, regional and community banks operating in the Midwest and Southwest regions of the United States. For our single tenant lease financing activities, we compete nationally with regional banks, community banks and credit unions, as well as life insurance companies and commercial mortgage-backed securities lenders. For our construction, investor commercial real estate, public finance and specialty finance activities, we compete nationally with superregional, regional and community banks. These competitors may have significantly greater financial resources and higher lending limits than we do and may also offer specialized products and services that we do not. For our small business lending activities, we compete on a national footprint with other participating SBA-approved lenders, including a large number of superregional, regional and community banks, as well as non-bank lenders. These competitors have resources and/or lending limits that differ greatly from one another.

## ***Regulation and Supervision***

The U.S. banking industry is highly regulated under federal and state law and this regulatory environment has a material effect on the operations and financial condition of the Company and its subsidiaries. As a result, the Company’s

growth and earnings performance may be affected not only by management decisions and general economic conditions, but also by the requirements of federal and state statutes and by the regulations and policies of various bank regulatory agencies, including the Indiana Department of Financial Institutions (the “DFI”), the Board of Governors of the Federal Reserve System (the “Federal Reserve”), the FDIC and the Consumer Financial Protection Bureau (“CFPB”). Furthermore, taxation laws administered by the Internal Revenue Service and state taxing authorities, accounting rules developed by the Financial Accounting Standards Board (the “FASB”), securities laws administered by the SEC and state securities authorities, and anti-money laundering laws enforced by the U.S. Department of the Treasury (“U.S. Treasury”) also have an impact on the Company’s business. This regulatory framework is intended for the protection of depositors, borrowers and other customers, as well as the FDIC deposit insurance fund and the U.S. banking system, rather than the Company’s shareholders or creditors.

Banking statutes and regulations are subject to ongoing review and revision by federal and state legislatures and regulatory agencies. Future changes in laws, regulations or regulatory policies, including changes in the ways laws and regulations are interpreted or enforced, could affect us in significant and unpredictable ways that may have a material impact on our business.

Federal and state banking laws and regulations affect, among other things, the scope of the Company’s business; the kinds and amounts of investments the Company and Bank may make; the fees and charges that may be imposed for bank products and services; required capital levels relative to assets; the nature and amount of collateral for loans; the ability to merge, consolidate, and acquire; dealings with the Company’s and Bank’s insiders and affiliates; and the Company’s payment of dividends. The cost of compliance with these legal and regulatory requirements has increased over time and could increase further in the future in response to changing laws and regulations or regulatory expectations, or as the Company grows and passes certain asset size thresholds at which additional requirements begin to apply.

The supervisory framework for U.S. banking organizations subjects banks and their holding companies to regular examination by their respective regulatory agencies, which results in examination reports and ratings that are in most cases not publicly available and that can impact the conduct and growth of their business. These examinations consider not only compliance with applicable laws and regulations, but also capital levels, asset quality and risk, management ability and performance, earnings, liquidity, and various other factors. Regulatory agencies may impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law, or are otherwise inconsistent with laws and regulations. These regulatory agencies have broad enforcement power over regulated entities, including the ability to impose substantial fines and other adverse consequences for violations of law and regulations.

Following is a summary of the material elements of the supervisory and regulatory framework applicable to the Company and Bank. It does not describe all of the statutes, regulations, and regulatory policies that apply, and the descriptions in this summary are qualified in their entirety by reference to the particular statutory and regulatory provisions involved.

#### Holding Company Regulation

*General.* The Company is registered as a bank holding company under the Bank Holding Company Act of 1956 (the “BHCA”). It is subject to regulation, supervision, examination and enforcement by the Federal Reserve. Under the BHCA, the Company is required to file with the Federal Reserve periodic reports of its operations and such additional information regarding the Company and Bank as the Federal Reserve may require. In addition, the Federal Reserve has the authority to issue orders to bank holding companies to cease and desist from unsafe or unsound banking practices and from violations of conditions imposed by, or violations of agreements with, the Federal Reserve. The Federal Reserve is also empowered to assess civil money penalties against companies or individuals who violate Federal Reserve orders or regulations, to order termination of nonbanking activities of bank holding companies and to order termination of ownership and control of a nonbanking subsidiary by a bank holding company.

*Capital Requirements.* The Company and the Bank are required under federal law to maintain certain minimum capital levels based on ratios of capital to total assets and capital to risk-weighted assets. The required capital ratios are minimums, and the federal banking agencies may determine that a banking organization, based on its size, complexity or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Risks such as concentration of credit risks and the risk arising from non-traditional activities, as well as the institution’s exposure to a decline in the economic value of its capital due to changes in interest rates, and an institution’s ability to manage those risks are important factors that are to be taken into account by the federal banking agencies in assessing an institution’s overall capital adequacy. The following is a brief description of the relevant provisions of these capital rules and their potential impact on our capital levels.

The Company and the Bank are subject to the following risk-based capital ratios: a common equity Tier 1 (“CET1”) risk-based capital ratio, a Tier 1 risk-based capital ratio, which includes CET1 and additional Tier 1 capital, and a total risk-based capital ratio, which includes Tier 1 and Tier 2 capital. CET1 is primarily comprised of the sum of common stock instruments and related surplus net of treasury stock, retained earnings, and certain qualifying minority interests, less certain adjustments and deductions, including with respect to goodwill, intangible assets, mortgage servicing assets and deferred tax assets subject to temporary timing differences. Additional Tier 1 capital is primarily comprised of noncumulative perpetual preferred stock, tier 1 minority interests and grandfathered trust preferred securities. Tier 2 capital consists of instruments disqualified from Tier 1 capital, including qualifying subordinated debt, other preferred stock and certain hybrid capital instruments, and a limited amount of allowance for credit loss up to a maximum of 1.25% of risk-weighted assets, subject to certain eligibility criteria. The capital rules also define the risk-weights assigned to assets and off-balance sheet items to determine the risk-weighted asset components of the risk-based capital rules, including, for example, certain “high volatility” commercial real estate, past due assets, structured securities and equity holdings.

The leverage capital ratio, which serves as a minimum capital standard, is the ratio of Tier 1 capital to quarterly average total assets net of goodwill, certain other intangible assets, and certain required deduction items. The required minimum leverage ratio for all banks and bank holding companies is 4%.

In addition, the capital rules also require a capital conservation buffer of CET1 capital of 2.5% above each of the minimum capital ratio requirements (CET1, Tier 1, and total risk-based capital), which is designed to absorb losses during periods of economic stress. These buffer requirements must be met for a bank or bank holding company to be able to pay dividends, engage in share buybacks or make discretionary bonus payments to executive management without restriction.

The Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”), among other things, requires the federal bank regulatory agencies to take “prompt corrective action” regarding depository institutions that do not meet minimum capital requirements. FDICIA establishes five regulatory capital tiers: “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized,” and “critically undercapitalized.” A depository institution’s capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation. FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a dividend) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. FDICIA imposes progressively more restrictive restraints on operations, management and capital distributions, depending on the category in which an institution is classified. Undercapitalized depository institutions are subject to restrictions on borrowing from the Federal Reserve System. In addition, undercapitalized depository institutions may not accept brokered deposits absent a waiver from the FDIC, are subject to growth limitations and are required to submit capital restoration plans for regulatory approval. A depository institution’s holding company must guarantee any required capital restoration plan, up to an amount equal to the lesser of 5 percent of the depository institution’s assets at the time it becomes undercapitalized or the amount of the capital deficiency when the institution fails to comply with the plan. Federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution’s capital. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. The Bank was well capitalized at December 31, 2025, and brokered deposits are not restricted.

To be well-capitalized, the Bank must maintain at least the following capital ratios:

- i. 5.0% leverage ratio.
- ii. 6.5% CET1 to risk-weighted assets;
- iii. 8.0% Tier 1 capital to risk-weighted assets; and
- iv. 10.0% Total capital to risk-weighted assets;

The Federal Reserve has different requirements than those imposed under the current capital rules applicable to banks. For purposes of the Federal Reserve’s Regulation Y, including determining whether a bank holding company meets the requirements to be a financial holding company, bank holding companies, such as the Company, must maintain a Tier 1 risk-based capital ratio of 6.0% or greater and a total risk-based capital ratio of 10.0% or greater to be well-capitalized. If the Federal Reserve were to apply the same or a very similar well-capitalized standard to bank holding companies as that applicable to the Bank, the Company’s capital ratios as of December 31, 2025 would exceed such revised well-capitalized standard. Also, the Federal Reserve may require bank holding companies, including the Company, to maintain capital ratios substantially in excess of mandated minimum levels, depending upon general economic conditions and a bank holding company’s particular condition, risk profile and growth plans.

*Activities, Acquisitions, and Changes in Control.* Bank holding companies generally are limited to the business of banking, managing or controlling banks, and other activities that the Federal Reserve determines to be closely related to banking, or managing or controlling banks as to be a proper incident thereto. Bank holding companies are prohibited from acquiring or obtaining control of more than five percent (5%) of any class of voting interests of any company that engages in activities other than those activities permissible for bank holding companies. Examples of activities that the Federal Reserve has determined to be permissible are making, acquiring, brokering, or servicing loans; leasing personal property; providing certain investment or financial advice; performing certain data processing services; acting as agent or broker in selling credit life insurance and other insurance products in certain locations; securities brokerage; and performing certain insurance underwriting activities. The BHC Act does not place domestic geographic limits on permissible non-banking activities of bank holding companies. Even with respect to permissible activities, however, the Federal Reserve has the power to order a holding company or its subsidiaries to terminate any activity or its control of any subsidiary when the Federal Reserve has reasonable cause to believe that continuation of such activity or control of such subsidiary would pose a serious risk to the financial safety, soundness or stability of any bank subsidiary of that holding company.

The BHCA requires a bank holding company to obtain approval from the Federal Reserve before (i) acquiring or holding more than a 5% voting interest in any bank or bank holding company, (ii) acquiring all or substantially all of the assets of another bank or bank holding company or (iii) merging or consolidating with another bank holding company. In reviewing a proposed covered acquisition, among other factors, the Federal Reserve considers (1) the financial and managerial resources of the companies involved, including pro forma capital ratios; (2) the risk to the stability of the United States banking or financial system; (3) the convenience and needs of the communities to be served, including performance under the CRA; and (4) the effectiveness of the companies in combating money laundering. The Federal Reserve also reviews any indebtedness to be incurred by a bank holding company in connection with a proposed acquisition to ensure that the bank holding company can service such indebtedness without adversely affecting its ability to serve as a source of strength to its bank subsidiaries. Well capitalized and well managed bank holding companies are permitted to acquire control of banks in any state, subject to federal regulatory approval, without regard to whether such a transaction is prohibited by the laws of any state. However, a bank holding company may not, following an interstate acquisition, control more than 10% of nationwide insured deposits or 30% of deposits within any state in which the acquiring bank operates. Federal banking regulators are also required to take into account compliance with the CRA in evaluating any proposal for interstate bank acquisitions.

Federal law restricts the amount of voting stock of a bank holding company or a bank that a person may acquire without the prior approval of banking regulators. Under the Change in Bank Control Act and the regulations thereunder, a person or group must give advance notice to and obtain approval from the Federal Reserve before acquiring control of any bank holding company, such as the Company. The Change in Bank Control Act creates a rebuttable presumption of control if a member or group acquires a certain percentage or more of any class of a bank holding company's voting stock. As a result, a person or entity generally must provide prior notice to the Federal Reserve before acquiring the power to vote 10% or more of our outstanding common stock. The overall effect of such laws is to make it more difficult to acquire a bank holding company by tender offer or similar means than it might be to acquire control of another type of corporation. Consequently, shareholders of the Company may be less likely to benefit from the rapid increases in stock prices that may result from tender offers or similar efforts to acquire control of other companies. Investors should be aware of these requirements when acquiring shares of our stock.

*Holding Company Dividends.* The Company's ability to pay dividends to shareholders will be impacted both by general corporate law considerations and policies of the Federal Reserve applicable to bank holding companies. It may also be impacted by the ability of the Bank to pay dividends to the Company, discussed under "Bank Regulation—Dividends" below. As an Indiana corporation, the Company is subject to the Indiana Business Corporation Law, as amended, which prohibits the Company from paying a dividend if, after giving effect to the dividend, the Company would not be able to pay its debts as they become due in the usual course of business, or if the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

The Federal Reserve has indicated that the board of directors of a bank holding company should eliminate, defer or significantly reduce dividends to shareholders if: (i) the company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; (ii) the prospective rate of earnings retention is inconsistent with the Company's capital needs and overall current and prospective financial condition; or (iii) the company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. The Federal Reserve possesses enforcement powers to prevent or remedy actions that represent unsafe or unsound practices or violations of applicable statutes or regulations. Among those powers is the ability to restrict the payment of dividends. In addition, under the Basel III Rule, institutions that seek the freedom to pay dividends have to maintain 2.50% in Common Equity Tier 1 Capital attributable to the capital conservation buffer. See "Capital Requirements" section above.

*Source of Strength.* Under the Dodd-Frank Act, we are required to serve as a source of financial and managerial strength for the Bank and to commit resources to support it in circumstances where we might not otherwise do so, in the event of the financial distress of the Bank. This provision codified the longstanding policy of the Federal Reserve. In addition, any capital loans by a bank holding company to any of its depository subsidiaries are subordinate to the payment of deposits and to certain other indebtedness. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a depository subsidiary will be assumed by the bankruptcy trustee and entitled to a priority of payment.

*Employee Incentive Compensation.* Under regulatory guidance applying to all banking organizations, incentive compensation policies must be consistent with safety and soundness principles. Under this guidance, banking organizations must review their compensation programs to ensure that they: (i) provide employees with incentives that appropriately balance risk and reward and that do not encourage imprudent risk, (ii) are compatible with effective controls and risk management, and (iii) are supported by strong corporate governance, including active and effective oversight by the banking organization's board of directors. Monitoring methods and processes used by a banking organization should be commensurate with the size and complexity of the organization and its use of incentive compensation.

### Bank Regulation

*General.* The Bank is an Indiana-chartered bank formed pursuant to the Indiana Financial Institutions Act (the "IFIA"). As such, the Bank is regularly examined by and subject to regulations promulgated by the DFI and the FDIC as its primary federal bank regulator. The Bank is not a member of the Federal Reserve System.

*Business Activities.* The Bank derives its lending and investment powers from the IFIA, the Federal Deposit Insurance Act (the "FDIA") and related regulations.

*Loans-to-One Borrower Limitations.* Generally, the Bank's total loans or extensions of credit to a single borrower, including the borrower's related entities, outstanding at one time, and not fully secured, cannot exceed 15% of the Bank's unimpaired capital and surplus. If the loans or extensions of credit are fully secured by readily marketable collateral, the Bank may lend up to an additional 10% of its unimpaired capital and surplus.

*Community Reinvestment Act.* Under the CRA, as implemented by FDIC regulations, the Bank has a continuing and affirmative obligation, consistent with safe and sound banking practices, to help meet the credit needs of its entire community, including low and moderate-income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with the CRA. The CRA requires the FDIC, in connection with its examinations of the Bank, to assess the Bank's record of meeting the credit needs of its entire community and to take that record into account in evaluating certain applications for regulatory approvals that we may file with the FDIC.

Due to its online-driven model and nationwide banking platform, the Bank has opted to operate under a CRA Strategic Plan, which sets forth certain guidelines the Bank must meet. The Bank's current CRA Strategic Plan covers the time period of January 1, 2024 through December 31, 2026. The Bank received a "Satisfactory" CRA rating in its most recent CRA examination. Failure of an institution to receive at least a "Satisfactory" rating could inhibit such institution or its holding company from engaging in certain activities or pursuing acquisitions of other financial institutions.

*Transactions with Affiliates.* The authority of the Bank, like other FDIC-insured institutions, to engage in transactions with its "affiliates" is limited by Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve's Regulation W. An "affiliate" for this purpose is defined generally as any company that owns or controls the Bank or is under common ownership or control with the Bank, but excludes a company controlled by a bank. In general, transactions between the Bank and its affiliates must be on terms that are consistent with safe and sound banking practices and at least as favorable to the Bank as comparable transactions between the Bank and non-affiliates. In addition, covered transactions with affiliates are restricted individually to 10% and in the aggregate to 20% of the Bank's capital. Collateral ranging from 100% to 130% of the loan amount depending on the quality of the collateral must be provided for an affiliate to secure a loan or other extension of credit from the Bank. The Company is an "affiliate" of the Bank for purposes of Regulation W and Sections 23A and 23B of the Federal Reserve Act.

*Loans to and Other Transactions with Insiders.* The Bank's authority to extend credit to its directors, executive officers and principal shareholders, as well as to entities controlled by such persons ("Related Interests"), is governed by Sections 22(g) and 22(h) of the Federal Reserve Act and Regulation O of the Federal Reserve. Among other things, these

provisions require that extensions of credit to insiders: (1) be made on terms that are substantially the same as, and follow credit underwriting procedures that are not less stringent than, those prevailing for comparable transactions with unaffiliated persons and that do not involve more than the normal risk of repayment or present other unfavorable features; and (2) not exceed certain limitations on the amount of credit extended to such persons, individually and in the aggregate, which limits are based, in part, on the amount of the Bank's capital. In addition, extensions of credit in excess of certain limits must be approved in advance by the Bank's Board of Directors. Further, provisions of the Dodd-Frank Act require that any sale or purchase of an asset by the Bank with an insider must be on market terms, and if the transaction represents more than 10% of the Bank's capital stock and surplus, it must be approved in advance by a majority of the disinterested directors of the Bank. We believe the Bank is in compliance with these provisions.

*Enforcement.* The DFI and the FDIC share primary regulatory enforcement responsibility over the Bank and its institution-affiliated parties, including directors, officers and employees. This enforcement authority includes, among other things, the ability to appoint a conservator or receiver for the Bank, to assess civil money penalties, to issue cease and desist orders, to seek judicial enforcement of administrative orders and to remove directors and officers from office and bar them from further participation in banking. In general, these enforcement actions may be initiated in response to alleged violations of laws, regulations and administrative orders, as well as in response to alleged unsafe or unsound banking practices or conditions.

*Standards for Safety and Soundness.* Pursuant to the FDIA, the federal banking agencies have adopted a set of guidelines prescribing safety and soundness standards. These guidelines establish general standards relating to internal controls and information systems, internal audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, asset quality, earnings standards, compensation, fees and benefits. In general, the guidelines require appropriate systems and practices to identify and manage the risks and exposures specified in the guidelines. We believe we are in compliance with the safety and soundness guidelines.

*Dividends.* The ability of the Bank to pay dividends is limited by state and federal laws and regulations, including the requirement for the Bank to obtain the prior approval of the DFI before paying a dividend that, together with other dividends it has paid during a calendar year, would exceed the sum of its net income for the year to date combined with its retained net income for the previous two years. The ability of the Bank to pay dividends is further affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations, and it is generally prohibited from paying any dividends if, following payment thereof, it would be undercapitalized. Notwithstanding the availability of funds for dividends, the FDIC and the DFI may prohibit the payment of dividends by the Bank if either or both determine such payment would constitute an unsafe or unsound practice. In addition, under the Basel III Rule, institutions that seek the freedom to pay dividends have to maintain 2.5% in Common Equity Tier 1 Capital attributable to the capital conservation buffer.

*Insurance of Deposit Accounts.* The Bank is a member of the Deposit Insurance Fund ("DIF"), which is administered by the FDIC. All deposit accounts at the Bank are insured by the FDIC up to a maximum of \$250,000 per depositor, per insured bank, for each account ownership category. Under the FDIA, the FDIC may terminate deposit insurance upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

*Liquidity.* The Bank is required to maintain a sufficient amount of liquid assets to ensure its safe and sound operation. To fund its operations, the Bank historically has relied upon deposits, Federal Home Loan Bank of Indianapolis ("FHLB") borrowings, Fed Funds lines with correspondent banks and brokered deposits. The FDIA and FDIC regulations limit the ability of banks to accept, renew, or roll over brokered deposits unless the institution is well capitalized. The FDIC may grant a waiver to permit a less than well capitalized bank to hold brokered deposits, but limitations on the rates paid on such deposits will apply, and the bank may also be required to pay a higher deposit insurance assessment on such deposits. The Bank believes it has sufficient liquidity to meet its funding obligations for at least the next twelve months. Additionally, as of December 31, 2025, the Bank had access to \$1.6 billion in unused borrowing capacity at the Federal Reserve and FHLB.

*Federal Home Loan Bank System.* The Bank is a member of the FHLB, which is one of the regional Federal Home Loan Banks comprising the Federal Home Loan Bank System. Each Federal Home Loan Bank serves as a central credit facility primarily for its member institutions. The Bank, as a member of the FHLB, is required to acquire and hold shares of FHLB capital stock. While the required percentage of stock ownership is subject to change by the FHLB, the Bank is following this requirement with an investment in FHLB stock at December 31, 2025 of \$28.4 million. Any advances from the FHLB must be secured by specified types of collateral, and long-term advances may be used for the purpose of providing funds to make residential mortgage or commercial loans and to purchase investments. Long-term advances may also be used to help alleviate interest rate risk for asset and liability management purposes. The Bank receives dividends on its FHLB stock.

*Federal Reserve System.* Although the Bank is not a member of the Federal Reserve System, it is subject to provisions of the Federal Reserve Act and the Federal Reserve's regulations under which depository institutions may be required to maintain reserves against their deposit accounts and certain other liabilities. In March 2020, the Federal Reserve announced that the banking system had ample reserves and, as reserve requirements no longer played a significant role in this regime, it reduced all reserve tranches to zero percent, thereby freeing banks from the reserve maintenance requirement. This action permits the Bank to loan or invest funds that were previously unavailable. The Federal Reserve has indicated that it currently has no plans to reimpose reserve requirements but that it may impose such a requirement in the future if conditions warrant.

*Anti-Money Laundering and the Bank Secrecy Act.* Under the Bank Secrecy Act (the "BSA"), a financial institution is required to have systems in place to detect and report transactions of a certain size and nature. Financial institutions are generally required to report to the U.S. Treasury any cash transactions involving more than \$10,000. In addition, financial institutions are required to file suspicious activity reports for transactions that involve more than \$5,000 and which the financial institution knows, suspects or has reason to suspect involves illegal funds, is designed to evade the requirements of the BSA or has no lawful purpose. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), which amended the BSA, is designed to deny terrorists and others the ability to obtain anonymous access to the U.S. financial system. The USA PATRIOT Act has significant implications for financial institutions and businesses of other types involved in the transfer of money. The USA PATRIOT Act, in conjunction with the implementation of various federal regulatory agency regulations, has caused financial institutions, such as the Bank, to adopt and implement additional policies or amend existing policies and procedures with respect to, among other things, anti-money laundering compliance, suspicious activity, currency transaction reporting, customer identity verification and customer risk analysis. Bank regulators regularly examine institutions for compliance with these obligations, and may impose "cease and desist" orders and civil money penalty sanctions on institutions determined to be in violation of these obligations.

In January 2021, the Anti-Money Laundering Act of 2020 (the "AMLA"), which amends the BSA, was enacted. The AMLA was intended to comprehensively reform and modernize U.S. anti-money laundering laws. Among other things, the AMLA attempted to codify a risk-based approach to anti-money laundering compliance for financial institutions; required the development of standards by the U.S. Treasury for evaluating technology and internal processes for BSA compliance; and expanded enforcement- and investigation-related authority, including a significant expansion in the available sanctions for certain BSA violations and enhanced whistleblower provisions permitting monetary awards to persons who provide information that leads to successful enforcement of certain violations.

The United States has imposed economic sanctions that affect transactions with designated foreign countries, nationals and others. These sanctions, which are administered by the U.S. Treasury Office of Foreign Assets Control ("OFAC"), take many different forms. Generally, however, they contain one or more of the following elements: (1) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on "U.S. persons" engaging in financial transactions relating to making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (2) blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons). Blocked assets (for example, property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Failure to comply with these sanctions can give rise to serious legal and reputational consequences.

*Consumer Protection Laws.* The Bank is subject to a number of federal and state laws designed to protect consumers and prohibit unfair or deceptive business practices. These laws include the Equal Credit Opportunity Act, Fair Housing Act, Homeowners Protection Act, Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act"), the Gramm-Leach-Bliley Act (the "GLBA"), the Truth in Lending Act, the CRA, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the National Flood Insurance Act, the Service Members Civil Relief Act, the Expedited Funds Availability Act, the Electronic Fund Transfer Act, the Truth in Savings Act, the Right to Financial Privacy Act, laws relating to unfair, deceptive and abusive acts and practices, and various state laws such as usury laws, or laws which are counterparts and/or extensions of the foregoing federal laws. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must interact with customers when taking deposits, making loans, collecting loans and providing other services. Failure to comply with consumer protection laws and regulations can subject financial institutions to enforcement actions, fines and other penalties.

*Customer Information Security.* The federal banking agencies have adopted final guidelines establishing standards for safeguarding nonpublic personal information about customers. These guidelines implement provisions of the GLBA. Specifically, the Information Security Guidelines established by the GLBA require each financial institution, under the supervision and ongoing oversight of its board of directors or an appropriate committee thereof, to develop, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer

information (as defined under the GLBA), to protect against anticipated threats or hazards to the security or integrity of such information and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The federal banking regulators have issued guidance for banks on response programs for unauthorized access to customer information. This guidance, among other things, requires notice to be sent to customers whose “sensitive information” has been compromised if misuse of this information is “reasonably possible.”

*Identity Theft Red Flags.* Rules implementing Section 114 of the FACT Act require each financial institution or creditor to develop and implement a written Identity Theft Prevention Program to detect, prevent and mitigate identity theft in connection with the opening of certain accounts or certain existing accounts. In addition, the federal banking agencies issued guidelines to assist financial institutions and creditors in the formulation and maintenance of an Identity Theft Prevention Program that satisfies the requirements of the rules. Rules implementing Section 114 of the FACT Act also require credit and debit card issuers to assess the validity of notifications of changes of address under certain circumstances. Additionally, the federal banking agencies issued joint rules under Section 315 of the FACT Act that provide guidance regarding reasonable policies and procedures that a user of consumer reports must employ when a consumer reporting agency sends the user a notice of address discrepancy. Failure to comply with these rules can subject financial institutions to enforcement actions, fines and other penalties.

*Privacy.* The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to nonaffiliated third parties. In general, the statute requires financial institutions to explain to consumers their policies and procedures regarding the disclosure of such nonpublic personal information and, except as otherwise required or permitted by law, financial institutions are prohibited from disclosing such information except as provided in their policies and procedures. The Bank is required to provide notice to its customers on an annual basis disclosing its policies and procedures on the sharing of nonpublic personal information. From time to time, Congress and state legislatures consider additional legislation relating to privacy and other aspects of consumer information that could have an impact on our business, financial condition or results of operations.

A number of U.S. states have also enacted data privacy and security laws and regulations that govern the collection, use, disclosure, transfer, storage, disposal and protection of personal information, such as social security numbers, financial information and other information. These laws and regulations may be more restrictive and not preempted by U.S. federal laws. For example, several U.S. territories and all 50 states now have data breach laws that require timely notification to individuals, and at times regulators, the media or credit reporting agencies, if a company has experienced the unauthorized access or acquisition of personal information. Other state laws include the California Consumer Privacy Act (“CCPA”), which took effect on January 1, 2020. The CCPA, among other things, contains new disclosure obligations for businesses that collect personal information about California residents and affords those individuals numerous rights relating to their personal information that may affect our ability to use personal information or share it with our business partners.

A second law called the California Privacy Rights Act (“CPRA”), which went into effect in 2023, expands the scope of the CCPA, imposes new restrictions on behavioral advertising, and establishes a new California Privacy Protection Agency which will enforce the law and issue regulations. Similar laws were enacted in Virginia and Colorado, and other states have considered and are actively considering legislation along the same lines. We will continue to monitor and assess the impact of these state laws, which may impose substantial penalties for violations, impose significant costs for investigation and compliance, allow private class-action litigation and carry significant potential liability for our business.

*Cybersecurity.* Federal regulators have indicated that financial institutions should design multiple layers of security controls to establish lines of defense and ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing digital-based services of the financial institution. Federal regulators have also indicated that a financial institution’s management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption, and maintenance of the institution’s operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the institution or its critical service providers fall victim to this type of cyber-attack. If we fail to observe the regulatory guidance, we could be subject to various regulatory sanctions, including financial penalties.

The federal banking agencies published a final rule establishing computer-security incident notification requirements that require a banking organization to notify its primary federal regulator of any “computer security incident” that rises to the level of a “notification incident” as soon as possible and no later than 36 hours after determining that such an incident has occurred. The rule also requires a bank service provider to notify each affected banking organization customer as soon as

possible when the service provider determines it has experienced a computer security incident that has caused, or is reasonably likely to cause, a material service disruption or degradation for four or more hours.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. For example, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. We expect this trend of increased activity and changes at the state level to continue.

The SEC has enacted laws requiring public companies to disclose material cybersecurity risks and incidents along with cybersecurity protections and governance processes. These SEC guidelines, and any other regulatory guidance, are in addition to notification and disclosure requirements under state and federal banking law and regulations. See Part I, Item 1C. Cybersecurity of this Annual Report on Form 10-K for additional information.

In support of our digital banking platform, we rely heavily on electronic communications and information systems to conduct our operations and store sensitive data. We employ an in-depth approach that leverages people, processes, and technology to manage and maintain cybersecurity controls. In addition, we employ a variety of preventative and detective tools to monitor, block, and provide alerts regarding suspicious activity, as well as to report on any suspected advanced persistent threats. Notwithstanding the strength of our defensive measures, the threat from cyber-attacks is severe, attacks are sophisticated and increasing in volume, and attackers respond rapidly to changes in defensive measures.

We continually strive to enhance our cyber and information security in order to be resilient against emerging threats and improve our ability to detect and respond to attempts to gain unauthorized access to our data and systems. We regularly conduct cybersecurity risk assessments, regularly engage with the Board or appropriate committees on cybersecurity matters, routinely update our incident response plans based on emerging threats, periodically practice implementation of incident response plans across applicable departments, and train officers and employees to detect and report suspicious activity. Although to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, our systems and those of our customers and third-party service providers are under constant threat, and it is possible that we could experience a significant event in the future due to the rapidly evolving nature and sophistication of these threats.

*Climate-Related Risk Management and Regulation.* In recent years, the federal banking agencies and the SEC have increased their focus on climate-related risks impacting the operation of banks, the communities they serve and the financial system as a whole. Proposals related to climate-related financial and other risks impacting banks are being considered at both the federal and state level. While our branchless business model and diversified customer base mitigates our exposure to climate-related risks, we will continue to monitor these developments and the steps that will need to be taken to address any new requirements.

*Additional Matters.* The earnings of financial institutions are also affected by general economic conditions and prevailing interest rates, both domestic and foreign, and by the monetary and fiscal policies of the United States Government and its various agencies, particularly the Federal Reserve. The Federal Reserve regulates the supply of credit in order to influence general economic conditions, primarily through open market operations in United States Government obligations, varying the discount rate on financial institution borrowings, varying reserve requirements against financial institution deposits, and restricting certain borrowings by financial institutions and their subsidiaries. The monetary policies of the Federal Reserve have had a significant effect on the operating results of the Bank in the past and are expected to continue to do so in the future.

Additional legislation and administrative actions affecting the banking industry may be considered by the United States Congress, state legislatures and various regulatory agencies, including those referred to above. It cannot be predicted with certainty whether such legislation or administrative action will be enacted or the extent to which the banking industry, the Company or the Bank would be affected.

### ***Available Information***

The Company makes available its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), free of charge on its website at [www.firstinternetbankcorp.com](http://www.firstinternetbankcorp.com) as soon as reasonably practicable after it electronically files such material with, or furnishes it to, the SEC. In addition, the SEC maintains an internet site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information

regarding issuers that file electronically with the SEC. References to the Company's website address in this Annual Report on Form 10-K are provided as a convenience only and are not incorporated by reference.

## **Item 1A. Risk Factors**

*Risk factors which could cause actual results to differ from our expectations and which could negatively impact our financial condition and results of operations are discussed below and elsewhere in this report. Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial condition and results of operations. If any of the risks or uncertainties described below or any additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected.*

### **Business, Strategic, and Reputational Risks**

*A failure of, or interruption in, the communications and information systems on which we rely to conduct our business could adversely affect our revenues and profitability.*

We rely heavily upon communications and information systems to conduct our business. Although we have built a level of redundancy into our information technology infrastructure and update our business continuity plan annually, any failure or interruption of our information systems, or the third-party information systems on which we rely, as a result of inadequate or failed processes or systems, human errors or external events, could adversely affect our digital-based operations and slow or temporarily halt the processing of applications, loan servicing, deposit-related transactions, and our general banking operations. In addition, our communication and information systems may present security risks and could be susceptible to hacking or other unauthorized access. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

*Economic conditions have affected and could continue to adversely affect our revenues and profits.*

Our success depends, to a certain extent, upon favorable economic and political conditions, local and national, as well as governmental monetary policies. Conditions such as recession, unemployment, trade wars and tariffs, changes in interest rates, inflation, money supply, and other factors beyond the Company's control may adversely affect deposit levels, costs, loan demand and/or asset quality and, therefore, our earnings. Further, any economic downturn could result in financial stress on our borrowers that would adversely affect consumer confidence, a reduction in general business activity and increased market volatility. The resulting economic pressure on consumers and businesses and the lack of confidence in the financial markets could adversely affect our business, financial condition, results of operations and stock price. Our ability to properly assess the creditworthiness of our customers and to estimate the losses inherent in our credit exposure would be made more complex by difficult or rapidly changing market and economic conditions. Accordingly, if market conditions worsen, we may experience increases in foreclosures, delinquencies, net charge-offs and customer bankruptcies, as well as more restricted access to funds.

*The competitive nature of the banking and financial services industry could negatively affect our ability to increase or maintain our market share and retain long-term profitability.*

Competition in the banking and financial services industry is strong. We compete with commercial banks, savings institutions, credit unions, finance companies, fintechs, mutual funds, insurance companies and securities brokerage and investment banking firms operating locally and nationwide. Some of our competitors have greater financial resources, name recognition and market presence than we do and offer certain services that we do not or cannot provide. Further, our credit union competitors benefit from competitive advantages, including the credit union exemption from paying federal income tax and can, therefore, more aggressively price many products and services. In addition, larger competitors may be able to price loans and deposits more aggressively than we do, which could affect our ability to increase our market share and remain profitable on a long-term basis.

***Negative developments in the banking industry could adversely affect our current and future business operations and financial condition.***

Bank failures and related negative media attention have caused significant market trading volatility among publicly traded bank and financial holding companies, particularly for regional and community banks. These developments have negatively impacted customer confidence in smaller banks, which could prompt customers to move their deposits to larger financial institutions. Further, competition for and costs of deposits has similarly increased, putting pressure on net interest margin.

From time to time, we may experience increased regulatory scrutiny – in the course of routine examinations and otherwise – and new regulations directed towards banks of similar size to the Bank designed to respond to negative developments in the banking industry and/or changing regulatory focus, all of which may increase our costs of doing business and reduce our profitability. Among other things, there may be increased focus by both regulators and investors on deposit composition, the level of uninsured deposits, brokered deposits, unrealized losses in securities portfolios, liquidity, CRE composition and concentration, capital, third party risk management and general oversight and control of the foregoing. The Bank could face increased scrutiny or be viewed as higher risk by regulators and/or the investor community due to changing regulatory focus and/or the failures of other financial institutions, which could negatively affect our future results of operations and financial condition.

***Small Business Administration lending and other government guaranteed lending is an important part of our business. Our government guaranteed lending programs are dependent upon the U.S. federal government, and we face specific risks associated with originating SBA and other government guaranteed loans.***

Our SBA lending program is dependent upon the U.S. federal government. As an approved participant in the SBA Preferred Lender's Program (an "SBA Preferred Lender"), we enable our customers to obtain SBA loans without being subject to the potentially lengthy SBA approval process necessary for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including revocation of the lender's SBA Preferred Lender status. If we lose our status as an SBA Preferred Lender, we may lose some or all of our customers to lenders who are SBA Preferred Lenders, and as a result we could experience a material adverse effect to our financial results. Any changes to the SBA program, changes to program-specific rules impacting volume eligibility under the guaranty program, as well as changes to the program amounts authorized by Congress, may also have a material adverse effect on our business. In addition, any default by the U.S. government on its obligations or any prolonged government shutdown could impede our ability to originate SBA loans or other government guaranteed loans or sell such loans in the secondary market, which could materially adversely affect our business, results of operations, and financial condition.

Generally, we sell the guaranteed portion of our SBA 7(a) loans in the secondary market. These sales result in premium income for us at the time of sale and create a stream of future servicing income, as we retain the servicing rights to these loans. For the reasons described above, we may not be able to continue originating these loans or sell them in the secondary market. Furthermore, even if we are able to continue to originate and sell SBA 7(a) loans in the secondary market, we might not continue to realize premiums upon the sale of the guaranteed portion of these loans, or the premiums may decline due to economic and competitive factors. When we originate SBA loans, we incur credit risk on the non-guaranteed portion of the loans, and if a customer defaults on a loan, we share any loss and recovery related to the loan pro-rata with the SBA. If the SBA establishes that a loss on an SBA guaranteed loan is attributable to significant technical deficiencies in the manner in which the loan was originated, funded, or serviced by us, the SBA may seek recovery of the principal loss related to the deficiency from us. Generally, we do not maintain reserves or loss allowances for such potential claims and any such claims could materially adversely affect our business, financial condition, or results of operations.

The laws, regulations and standard operating procedures that are applicable to government guaranteed loan products may change in the future, particularly in light of the changes being made and scrutiny being given to government funded programs under the current U.S. presidential administration. We cannot predict the effects of these changes on our business and profitability. Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies and especially our organization, changes in the laws, regulations and procedures applicable to government guaranteed loans could adversely affect our ability to operate profitably.

***Societal, legislative and regulatory responses to environmental, social and governance (ESG) concerns, and anti-ESG concerns, as well as diversity, equity, and inclusion (DEI) and anti-DEI concerns, could adversely affect our business and performance, including indirectly through impacts on our customers.***

Our business faces increasing public, investor, activist, legislative and regulatory scrutiny related to ESG and anti-ESG, DEI and anti-DEI developments. We risk damage to our brand and reputation in certain sectors if we fail to act in response to ESG concerns, such as diversity, equity and inclusion, environmental stewardship, human capital management, support for our local communities, corporate governance and transparency, or fail to consider ESG factors in our business operations. Concerns over the long-term impacts of climate change have led and will likely continue to lead to global governmental efforts to mitigate those impacts. Consumers and businesses also may change their behavior and operations as a result of these concerns. The Company and its customers may need to respond to new laws and regulations as well as consumer and business preferences resulting from climate change concerns. We and our customers may face cost increases, asset value reductions and operating process changes. The impact on our customers will likely vary depending on their specific circumstances, including a significant presence in areas that are vulnerable to natural and man-made disasters that may be exacerbated by climate change, or reliance upon or a role in carbon intensive activities. Among the impacts to the Company could be a drop in demand for our products and services, particularly in certain sectors. In addition, we could face reductions in creditworthiness on the part of some customers or in the value of assets securing loans. Our efforts to take these risks into account may not be effective in protecting us from the negative impact of new laws and regulations or changes in consumer or business behavior. In response to ESG developments (including, in particular DEI initiatives), there are increasing instances of anti-ESG legislation and anti-DEI executive orders, adverse media coverage, regulation, and litigation that could have unintended impacts on ordinary banking operations and increase litigation or reputational risk related to actions we choose to take and impact the results of our operations. If legislatures in the states in which we operate adopt legislation intended to protect certain industries by limiting or prohibiting consideration of business and industry factors in lending activities, certain portions of our lending operations may be impacted.

***New lines of business, and new products and services, may result in exposure to new risks; and the value and earnings related to existing lines of business are subject to market conditions.***

The Bank has introduced, and in the future, may introduce new products and services to differing markets either alone or in conjunction with third parties, including programs and products introduced as part of our fintech partnership initiatives. New lines of business, products or services could have a significant impact on the effectiveness of our system of internal controls or the controls of third parties and could reduce our revenues and potentially generate losses. There are material inherent risks and uncertainties associated with offering new products and services, especially when new markets are not fully developed or when the laws and regulations regarding a new product are not mature. New products and services, or entrance into new markets, are carefully scrutinized by regulatory agencies and may require substantial time, resources and capital, and profitability targets may not be achieved. Factors outside of our control, such as developing laws and regulations, regulatory orders, competitive product offerings and changes in commercial and consumer demand for products or services may also materially impact the successful launch and implementation of new products or services. Failure to manage these risks, or failure of any product or service offerings to be successful and profitable, could have a material adverse effect on our financial condition and results of operations.

***Significant external events, including continued spread or outbreak of a highly contagious disease, could adversely affect our business and results of operations.***

We could experience other external events such as severe weather, natural disasters, acts of war, terrorism, civil unrest or widespread public health issues, including pandemics or epidemics caused by highly contagious or infectious disease, that could impair the ability of our customers to repay outstanding loans; impair the value of collateral, if any, securing outstanding loans; negatively impact our deposit base, loan originations or general demand for our services; cause significant property damage; result in loss of revenue or cause us to incur additional expenses or losses. We could also be adversely affected if key personnel or a significant number of employees were to become unavailable due to external events affecting the places they live. Although we have business continuity plans and other safeguards in place, there is no assurance that such plans and safeguards will completely mitigate the adverse impacts of any significant external event. The occurrence or continuation of any such event could materially adversely impact our business, our ability to provide our services, demand for our services, asset quality, financial condition and results of operations.

***Anti-takeover provisions could negatively impact our shareholders.***

Provisions of Indiana law and provisions of our articles of incorporation could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. We are subject to certain anti-takeover provisions under the Indiana Business Corporation Law. Additionally, our articles of incorporation authorize our Board of Directors to issue one or more classes or series of preferred stock without shareholder approval and such preferred stock could be issued as a defensive measure in response to a takeover proposal.

Although these provisions do not preclude a takeover, they may have the effect of discouraging, delaying or deferring a tender offer or takeover attempt that a shareholder might consider in his or her best interest, including those attempts that might result in a premium over the market price of our common stock. Such provisions will also render the removal of the Board of Directors and of management more difficult and, therefore, may serve to perpetuate current management. These provisions could potentially adversely affect the market price of our common stock.

**Credit Risks**

***Our business depends on our ability to successfully manage credit risk.***

The operation of our business requires us to manage credit risk. As a lender, we are exposed to the risk that our borrowers may be unable to repay their loans according to their terms, and that the collateral securing repayment of their loans, if any, may not be sufficient to ensure repayment. In addition, there are risks inherent in making any loan, including risks with respect to the period of time over which the loan may be repaid, risks relating to proper underwriting, risks resulting from changes in economic and industry conditions and risks inherent in dealing with individual borrowers, including the risk that a borrower may not provide information to us about its business in a timely manner, and/or may present inaccurate or incomplete information to us, and risks relating to the value of collateral. In order to manage credit risk successfully, we must, among other things, maintain disciplined and prudent underwriting standards. The weakening of these standards for any reason, a lack of discipline or diligence in underwriting and monitoring loans, the inability to adequately adapt policies and procedures to changes in economic or any other conditions affecting borrowers and the quality of our loan portfolio, may result in defaults, foreclosures and additional charge-offs and may necessitate that we significantly increase our allowance for credit losses, each of which could adversely affect our net income. As a result, our inability to successfully manage credit risk could have a material adverse effect on our business, financial condition, or results of operations.

***Our commercial loan portfolio exposes us to higher credit risks than residential real estate loans, including risks relating to the success of the underlying business and conditions in the market or the economy and concentrations in our commercial loan portfolio.***

Our commercial loans totaled \$2.9 billion, or 78.4% of our total loan portfolio as of December 31, 2025. These loans generally involve higher credit risks than residential real estate loans and are dependent upon our lenders and service providers maintaining close relationships with the borrowers. Payments on these loans are often dependent upon the successful operation and management of the underlying business or assets, and repayment of such loans may be influenced to a great extent by conditions in the market or the economy. Commercial loans typically involve larger loan balances than residential real estate loans and could lead to concentration risks within our commercial loan portfolio. In addition, our C&I, specialty finance and small business loans have primarily been extended to small to medium-sized businesses that generally have fewer financial resources in terms of capital or borrowing capacity than larger entities. Our failure to manage this commercial loan growth and the related risks could have a material adverse effect on our business, financial condition and results of operations.

In addition, with respect to CRE, federal and state banking regulators are examining CRE lending activity with heightened scrutiny and may require banks with higher levels of CRE loans to implement more stringent underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for credit losses and capital levels as a result of CRE lending growth and exposures. If we were required to maintain higher levels of capital than we would otherwise be expected to maintain, our ability to leverage our capital may be limited, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We are subject to risks arising from conditions in the real estate market, as a significant portion of our loans are secured by real estate.***

At December 31, 2025, approximately 49.8% of our loans held for investment portfolio was comprised of commercial, residential mortgage and home equity loans with real estate as the primary component of collateral. Our real estate lending

activities, and our exposure to fluctuations in real estate collateral values, are significant and may increase as our assets increase. The market value of real estate can fluctuate significantly in a relatively short period of time as a result of market conditions in the geographic area in which the real estate is located; in response to factors such as economic downturns and changes in the economic health of industries heavily concentrated in a particular area; and in response to changes in market interest rates, which influence capitalization rates used to value revenue-generating commercial real estate. If the value of real estate serving as collateral for our loans declines materially, a significant part of our loan portfolio could become under-collateralized and losses incurred upon borrower defaults would increase. Conditions in certain segments of the real estate industry, including homebuilding, lot development and mortgage lending, may have an effect on values of real estate pledged as collateral for our loans. The inability of purchasers of real estate, including residential real estate, to obtain financing may weaken the financial condition of our borrowers who are dependent on the sale or refinancing of property to repay their loans. Changes in the economic health of certain industries can have a significant impact on other sectors or industries which are directly or indirectly associated with those industries, and may impact the value of real estate in areas where such industries are concentrated.

***If our allowance for credit losses is not sufficient to cover actual credit losses, our earnings could decrease.***

We maintain an allowance for credit losses (“ACL”) on loans and held-to-maturity debt securities. The ACL represents the Bank’s best estimate of probable losses within the existing portfolio of loans and held-to-maturity debt securities. Additionally, related to off-balance-sheet credit exposures, we maintain a liability reserve account reported as an other liability in our balance sheet. The amount of each allowance account represents management’s best estimate of current expected credit losses on these financial instruments considering available information, from internal and external sources, relevant to assessing exposure to credit loss over the contractual term of the instrument. Relevant available information includes historical credit loss experience, current conditions and reasonable and supportable forecasts. As a result, the determination of the appropriate level of the ACL inherently involves a high degree of subjectivity and requires us to make significant estimates related to current and expected future credit risks and trends, all of which may undergo material changes. Continuing deterioration in economic conditions affecting borrowers; new information regarding existing loans and loan commitments; and identification of additional problem loans, ratings down-grades and other factors, both within and outside of our control, may require an increase in the ACL. In addition, if any charge-offs related to loans or off-balance sheet credit exposures in future periods exceed our ACL or reserve for off-balance sheet credit exposures, we will need to recognize additional provision for credit losses. Material additions to the ACL would decrease our net income and may have a material adverse effect on our financial condition, results of operations and capital.

## **Market, Interest Rate, and Liquidity Risks**

***The market value of some of our investments could decline and adversely affect our financial position.***

In assessing the impairment of investment securities, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuers, whether the market decline was affected by macroeconomic conditions and whether we have the intent to sell the security or will be required to sell the security before its anticipated recovery. We also use economic models to assist in the valuation of some of our investment securities. If our investment securities experience a decline in value, we would need to determine whether we would be required to record a write-down of the investment and a corresponding charge to our earnings.

***Changes in interest rates could adversely affect the Company’s results of operations and financial condition.***

The Company’s earnings depend substantially on the Company’s interest rate spread, which is the difference between (i) the rates the Bank earns on loans, securities, and other earning assets and (ii) the interest rates the Bank pays on deposits and other borrowings, and its costs of capital. These rates are highly sensitive to many factors beyond the Company’s control, including general economic conditions and the policies of various governmental and regulatory authorities. If market interest rates rise, especially at the pace they did in 2022 and 2023, the Company will face competitive pressure to increase the rates the Bank pays on deposits, which could negatively affect net interest margin. In addition, the interest rate on the Company’s other subordinated debt have, and are scheduled to change in 2026, from fixed to floating rates. These changes could result in a decrease of net interest income. If market interest rates decline, the Bank could experience fixed-rate loan prepayments and higher investment portfolio cash flows, resulting in a lower reinvestment yield on earning assets. Earnings can also be impacted by the spread between short-term and long-term market interest rates.

***The Bank may not be able to pay us dividends.***

The ability of the Bank to pay dividends to us is limited by state and federal law and depends generally on the Bank's ability to generate net income. If we are unable to comply with applicable provisions of these statutes and regulations, the Bank may not be able to pay dividends to us, we may not be able to pay dividends on our outstanding common stock and our ability to service our debt may be materially impaired.

***We may need additional funding resources in the future, and these funding resources may not be available when needed or at all, without which our financial condition, results of operations and prospects could be materially impaired.***

As a part of our liquidity management, we use a number of funding sources in addition to core deposit growth and repayments and maturities of loans and investments. These sources include brokered deposits and FHLB advances. Further, in the past, we have raised additional capital in the public debt and equity markets to support balance sheet growth, refinance existing debt obligations, or explore strategic alternatives which may include additional asset, deposit or revenue generation channels. Our ability to source deposits and raise future capital, if needed, will depend upon our financial performance and conditions in the capital markets, as well as economic conditions generally. Further, if we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would then have to compete with those institutions for investors. Accordingly, such financing may not be available to us on acceptable terms or at all. If we cannot raise additional capital when needed, it could have a material adverse effect on our business, financial condition and results of operations.

***The recognition of gains on the sale of loans and servicing asset valuations reflect certain assumptions.***

We continue to expect that gains on the sale of U.S. government guaranteed loans will continue to comprise a significant component of our revenue. The determination of these gains is based on assumptions regarding the value of unguaranteed loans retained, servicing rights retained and deferred fees and costs, and net premiums paid by purchasers of the guaranteed portions of U.S. government guaranteed loans. The value of retained unguaranteed loans and servicing rights are determined based on market-derived factors such as prepayment rates, current market conditions and recent loan sales. Deferred fees and costs are determined using internal analysis of the cost to originate loans. Significant errors in assumptions used to compute gains on sale of loans or servicing asset valuations could result in material revenue misstatements, which may have a material adverse effect on our business, results of operations and profitability. In addition, if such valuations are not reflective of fair market value, then our business, results of operations and financial condition may be materially and adversely affected.

***The Company's stock price can be volatile.***

The Company's stock price can fluctuate widely in response to a variety of factors, including without limitation: actual or anticipated variations in the Company's quarterly operating results; recommendations by securities analysts; significant acquisitions or business combinations; strategic partnerships, joint ventures or capital commitments; operating and stock price performance of other companies that investors deem comparable to the Company; new technology used or services offered by the Company's competitors; news reports relating to trends, concerns and other issues in the banking and financial services industry; and changes in government regulations. General market fluctuations, industry factors and general economic and political conditions and events, including terrorist attacks, increased inflation, economic slowdowns or recessions, interest rate changes, credit loss trends or currency fluctuations, could also cause the Company's stock price to decrease, regardless of the Company's operating results.

## **Operational Risks**

***Because our business is highly dependent on technology that is subject to rapid change and transformation, we are subject to risks of obsolescence.***

The Bank conducts its deposit gathering activities and a significant portion of its lending activities through digital channels. The financial services industry is undergoing rapid technological change, and we face constant evolution of customer demand for technology-driven financial and banking products and services. Many of our competitors have substantially greater resources to invest in technological improvement and product development, marketing and implementation. Any failure to successfully keep pace with and fund technological innovation could have a material adverse effect on our business, financial condition and results of operations.

***We rely on our management team and could be adversely affected by the unexpected loss of key officers.***

Our future success and profitability are substantially dependent upon our management and the abilities of our senior executives. We believe that our future results will also depend in part upon our ability to attract and retain highly skilled and qualified management. Competition for senior personnel is intense, and we may not be successful in attracting and retaining such personnel. Changes in key personnel and their responsibilities may be disruptive to our business and could have a material adverse effect on our business, financial condition and results of operations.

***A failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors and other service providers, including as a result of cyber-attacks, could disrupt our business and lead to unauthorized disclosure of customers' personal information, theft or misuse of confidential or proprietary information, damage to our reputation, and increases in our costs or financial losses.***

We depend upon our ability to process, record and monitor our client transactions on a continuous basis. As customer, public and regulatory expectations regarding data privacy and information security have increased, our operational systems and infrastructure must continue to be safeguarded and monitored for potential failures, disruptions and breakdowns. Our business, financial, accounting and data processing systems, or other operating systems and facilities, may stop operating properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control. For example, there could be electrical or telecommunications outages; natural disasters such as earthquakes, tornadoes and hurricanes; pandemics; events arising from local or larger-scale political or social matters, including terrorist acts; and, as described below, cyber-attacks. Although we have business continuity plans and other safeguards in place, our business operations may be adversely affected by significant and widespread disruption to our physical infrastructure or operating systems that support our business.

Information security risks for financial institutions such as ours have generally increased in recent years in part because of the proliferation of new technologies, the use of digital technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, activists and other external parties. As noted above, our operations rely on the secure processing, transmission and storage of confidential information in our computer systems and networks. Our business relies on digital technologies, computer and email systems, software and networks to conduct its operations. In addition, to access our products and services, our customers may use smartphones, tablets, personal computers and other mobile devices that are beyond our control systems. Although we have information security procedures and controls in place, our technologies, systems, networks and our customers' devices may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information, or otherwise disrupt our or our customers' or other third parties' business operations.

Third parties with whom we do business or that facilitate our business activities, including financial intermediaries or vendors that provide services or security solutions for our operations, could also be sources of operational and information security risk to us, including from breakdowns or failures of their own systems or capacity constraints. Although to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, like other companies, we and our vendors face a wide range of ongoing cyber threats that include phishing emails and social engineering schemes, ransomware threats, and criminal re-use of credentials sold on the dark web. There can be no assurance that we will not suffer such material losses in the future. Our risk and exposure to these matters remains heightened because of the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems, computers, software, company data, networks, and customer information from attack, damage or unauthorized access remain a focus for us. As threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate information security vulnerabilities.

Disruptions or failures in the physical infrastructure or operating systems that support our business and clients, or cyber-attacks or security breaches of the networks, systems or devices that our clients use to access our products and services, could result in client attrition, regulatory fines, penalties or intervention, breach investigation and notification expenses, reputational damage, claims or litigation, reimbursement or other compensation costs and/or additional compliance costs, any of which could materially and adversely affect our business, financial condition and results of operations.

***Our business may be adversely affected by fraud.***

As a financial institution, we are inherently exposed to risk in the form of theft and other fraudulent activities by customers, employees, or other third parties targeting us or our customers or data. Such activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering, spoofing, and other dishonest acts. Although we devote substantial resources to maintaining effective policies and internal controls to identify and prevent such incidents, given the increasing sophistication of possible perpetrators, we may experience financial losses or reputational harm as a result of fraud. Further, as a result of the increased sophistication of fraud activity, we continue to invest in systems, resources, and controls to detect and prevent fraud. This will result in continued ongoing investments and costs.

**Legal and Regulatory Risks**

***We operate in a highly regulated environment, which could restrain our growth and profitability.***

We are subject to extensive laws and regulations that govern almost all aspects of our operations. These laws and regulations, and the supervisory framework that oversees the administration of these laws and regulations, are primarily intended to protect depositors, the DIF, and the banking system as a whole, and not shareholders. These laws and regulations, among other matters, affect our lending practices, capital structure, investment practices, dividend policy, operations and growth. Compliance with the myriad laws and regulations applicable to our organization can be difficult and costly. In addition, these laws, regulations and policies are subject to continual review by governmental authorities, and changes to these laws, regulations and policies, including changes in interpretation, implementation, or priorities in enforcement of these laws, regulations and policies, could affect us in substantial and unpredictable ways and often impose additional compliance costs. The application of more stringent capital requirements for both the Company and the Bank could, among other things, result in lower returns on equity, require the raising of additional capital, and/or result in regulatory actions constraining us from paying dividends or repurchasing shares if we were to be unable to comply with such requirements, any of which could have a material adverse effect on our business and profitability.

Further, any new laws, rules and regulations could make compliance more difficult or expensive. All of these laws and regulations, and the supervisory framework applicable to our industry, could have a material adverse effect on our business, financial condition and results of operations.

***Federal and state regulators periodically examine our business, and we may be required to remediate adverse examination findings.***

The Federal Reserve, the FDIC and the DFI periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, a federal or state banking agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, it may take a number of different remedial actions as it deems appropriate. These actions include the power to enjoin “unsafe or unsound” practices, to require action to correct any conditions resulting from any violation or practice, to commence a formal or informal enforcement action or issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil monetary penalties against our officers or directors, to remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance and place us into receivership or conservatorship. Regulatory action against us could have a material adverse effect on our business, financial condition and results of operations.

***Our FDIC deposit insurance premiums and assessments may increase, which would reduce our profitability.***

The deposits of the Bank are insured by the FDIC up to legal limits and, accordingly, subject to the payment of FDIC deposit insurance assessments. The Bank’s regular assessments are determined by its risk classification, which is based on a number of factors, including regulatory capital levels, asset growth and asset quality. In order to maintain a strong funding position and restore the reserve ratios of the DIF, the FDIC may increase deposit insurance assessment rates and may charge a special assessment to FDIC-insured financial institutions. Further increases in assessment rates or special assessments may occur in the future, especially if there are significant additional financial institution failures. Any future special assessments, increases in assessment rates or required prepayments in FDIC insurance premiums could reduce our profitability or limit our ability to pursue certain business opportunities, which could have a material adverse effect on our business, financial condition and results of operations.

***We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions.***

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. The Department of Justice and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution's performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, restrictions on expansion and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations.

***We are subject to evolving and expensive regulations and requirements. Our failure to adhere to these requirements or the failure or circumvention of our controls and procedures could seriously harm our business.***

We are subject to extensive regulation as a financial institution and are also required to follow the corporate governance and financial reporting practices and policies required of a company whose stock is registered under the Exchange Act and listed on the Nasdaq Global Select Market. Compliance with these requirements means we incur significant legal, accounting and other expenses. Compliance also requires a significant diversion of management time and attention, particularly with regard to disclosure controls and procedures and internal control over financial reporting. Although we have reviewed, and will continue to review, our disclosure controls and procedures in order to determine whether they are effective, our controls and procedures may not be able to prevent errors or fraud in the future. Faulty judgments, simple errors or mistakes, or the failure of our personnel to adhere to established controls and procedures may make it difficult for us to ensure that the objectives of the control system will be met. A failure of our controls and procedures to detect other than inconsequential errors or fraud could seriously harm our business and results of operations.

***We face risk under the BSA and other anti-money laundering statutes and regulations, as well as general fund transfer and payments-related risk.***

The BSA, the USA PATRIOT Act and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti-money laundering program and file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of those requirements and has engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U.S. Department of Justice, Drug Enforcement Administration and Internal Revenue Service. We are also subject to increased scrutiny of compliance with the rules enforced by the OFAC. If our policies, procedures and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plans. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could have a material adverse effect on our business, financial condition and results of operations.

In addition, financial institutions, including ourselves, bear fund transfer risks of different types which result from large transaction volumes and large dollar amounts of incoming and outgoing money transfers. Loss exposure may result if money is transferred from the Bank before it is received, or legal rights to reclaim monies transferred are asserted. Such exposure results from payments which are made to merchants for payment clearing, while customers have statutory periods to reverse their payments. It also results from funds transfers made prior to receipt of offsetting funds, as accommodations to customers. Transfers could also be made in error. Additionally, as with other financial institutions, we may incur legal liability or reputational risk, if we unknowingly process payments for companies in violation of money laundering laws or regulations or immoral activities.

Our introduction of new products and programs in partnership with fintechs has increased account and transaction volume at the Bank and thereby increased the foregoing risks, the results of which could have a material adverse effect on our business, financial condition and results of operations.

***We may be subject to potential liability and business risk from actions by our regulators related to supervision of third parties.***

Our regulators and auditors have required us to increase the level and manner of our oversight of third parties that provide marketing and other services through which we offer products and services, whether in connection with our introduction of new programs and products, or otherwise. Although we have significant compliance staff and have used outside consultants, our internal and external compliance examiners continually evaluate our practices and must be satisfied with the results of our third-party oversight activities. We cannot assure you that we will satisfy all related requirements. Not maintaining a risk and compliance management system which is deemed adequate could result in sanctions or other action against the Bank. Our ongoing review and analysis of our compliance management system and implementation of any changes resulting from that review and analysis will likely result in increased non-interest expense.

***Federal banking laws limit the acquisition, ownership and repurchase of our common stock.***

Because we are a bank holding company, any purchaser of certain specified amounts of our common stock may be required to file a notice with or obtain the approval of the Federal Reserve under the BHCA, as amended, and the Change in Bank Control Act of 1978, as amended. Specifically, under regulations adopted by the Federal Reserve, (1) any other bank holding company may be required to obtain the approval of the Federal Reserve before acquiring 5% or more of our common stock and (2) any person may be required to file a notice with and not be disapproved by the Federal Reserve to acquire 10% or more of our common stock. Further, recently enacted laws impose an excise tax on a public company's repurchase of its own stock.

***Changes in accounting policies or in accounting standards could materially affect how we report our financial condition and results of operations.***

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"), including the accounting rules and regulations of the SEC and the FASB, requires management to make significant estimates and assumptions that impact our financial statements by affecting the value of our assets or liabilities and results of operations. Some of our accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because materially different amounts may be reported if different estimates or assumptions are used. If such estimates or assumptions underlying our financial statements are incorrect, our financial condition and results of operations could be adversely affected.

From time to time, the FASB and the SEC change the financial accounting and reporting standards or the interpretation of such standards that govern the preparation of our external financial statements. These changes are beyond our control, can be difficult to predict, may require extraordinary efforts or additional costs to implement and could materially impact how we report our financial condition and results of operations. Additionally, we may be required to apply a new or revised standard retrospectively, resulting in the restatement of prior period financial statements in material amounts.

***Shares of our common stock are not insured deposits and may lose value.***

Shares of our common stock are not savings accounts, deposits or other obligations of any depository institution and are not insured or guaranteed by the FDIC or any other governmental agency or instrumentality, any other deposit insurance fund or by any other public or private entity, and are subject to investment risk, including the possible loss of principal.

***The costs and effects of litigation, investigations or similar matters involving us or other financial institutions or counterparties, or related adverse facts and developments, could materially affect our business, operating results and financial condition.***

We may be involved from time to time in a variety of litigation, investigations, inquiries, or similar matters arising out of our business. Furthermore, litigation against banks tend to increase during economic downturns and periods of credit deterioration, which may occur or worsen as a result of current economic uncertainty. Most recently there has been an increase in class action lawsuits filed claiming deceptive practices or violations of account terms in connection with non-sufficient fees or overdraft charges. We manage these risks through internal controls, personnel training, insurance, litigation management, our compliance and ethics processes, and other means. However, the commencement, outcome, and magnitude of litigation cannot be predicted or controlled with any certainty.

We establish reserves for legal claims when payments associated with the claims become probable and the losses can be reasonably estimated. However, our insurance may not cover all claims that may be asserted against us and indemnification rights to which we are entitled may not be honored, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Should the ultimate judgments or settlements in any litigation or investigation significantly exceed our insurance coverage, they could have a material adverse effect on our business, financial condition, and results of operations. In addition, premiums for insurance covering the financial and banking sectors are rising. We may not be able to obtain appropriate types or levels of insurance in the future, nor may we be able to obtain adequate replacement policies with acceptable terms or at historic rates, if at all.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

The Company's information security program is designed to protect the confidentiality, integrity, and availability of our critical systems and information, including customer information. The program is comprised of policies, procedures, and programs, and is informed by and intended to align with the interagency guidance issued by banking regulators as well as the NIST Cybersecurity Framework (the "Information Security Program"). This does not imply that we meet any particular technical standards, specifications, or requirements, but rather that we use the guidance to help us identify, assess, and manage cybersecurity risks relevant to our business.

***Cybersecurity Risk Management and Strategy***

We are a digital bank. As such, data security is a foundational pillar of our business strategy. We've therefore integrated our Information Security Program into the Enterprise Risk Management program, meaning it shares common methodologies, reporting channels and governance processes that apply to other areas of enterprise risk, including legal, compliance, strategic, operational, and financial risk. Key elements of our Information Security Program include:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment are conducted on at least an annual basis;
- internal testing of our security controls and our response to cybersecurity incidents;
- the use of external service providers, to assess, test or otherwise assist with aspects of our security controls;
- training and awareness programs for all employees that include periodic and ongoing assessments to drive adoption and awareness of cybersecurity processes and controls;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents;
- maintenance and regular testing of a Business Continuity Plan that includes redundant back-up systems for critical functions;
- a physical security program that is tested regularly;
- obtaining and maintaining cyber insurance; and
- a third-party risk management program for service providers, suppliers, and vendors, that provides for the assessment, monitoring and management of cybersecurity risk presented by the Company's use of such third parties, as well as contractual protections related to cybersecurity incidents affecting third party vendors and service providers.

The Company engages in a continuous risk monitoring process that seeks to identify the likelihood and impact of internal and external threats to our information security systems and data and assesses the sufficiency of the controls in place to mitigate these threats to acceptable levels. Incidents are reported to and handled under our Incident Response Policy, which designates an incident response team and includes procedures and processes to identify, assess, respond to, mitigate and report on cybersecurity incidents.

In the last three fiscal years, the Company has not experienced any material cybersecurity incidents. Despite our efforts, there can be no assurance that our cybersecurity risk management processes and measures described will be fully implemented, complied with, or effective in protecting our systems and information. We face risks from certain cybersecurity threats that, if realized, are reasonably likely to materially affect our business strategy, result of operations or financial condition. Please see Part I, Item 1A Risk Factors for further discussion of the risks associated with an interruption or breach in our information systems or infrastructure.

## ***Cybersecurity Governance***

Our Board of Directors keeps apprised of and oversees technology risk and cybersecurity of the Company. The Board receives updates from the Company's Chief Information Officer or Information Security Officer ("ISO") on a quarterly basis and receives cybersecurity training on at least an annual basis. While the entire Board receives reporting and training, the Board has delegated certain specific responsibility for overseeing cybersecurity threats, among other things, to its Risk Committee. Our ISO and Chief Risk Officer provide the Risk Committee and the Company's internal Enterprise Risk Management Committee periodic and as needed reports on our cybersecurity risks and cybersecurity incidents, if any.

The Risk Committee and the entire Board review and approve the Company's information security policies and certain other relevant policies on at least an annual basis. Our ISO and Chief Information Officer, who share the responsibility of overseeing and managing the Information Security Program, collectively have decades of experience in the system, network, and cybersecurity space. The Chief Information Officer serves on the Enterprise Risk Management Committee, which is chaired by our Chief Risk Officer. They are supported by our team of technology professionals, who are responsible for information technology security monitoring and for managing the controls designed to identify, detect, protect against, respond to and recover from cybersecurity threats and cybersecurity incidents.

### **Item 2. Properties**

The Company and the Bank are headquartered in a 172,630 square foot mixed-use building located at 8701 East 116th Street, Fishers, IN 46038. The Bank's wholly-owned subsidiary, SPF15, Inc., owns and operates the building and property. The Company considers its property to be in adequate condition and suitable for its intended purposes.

### **Item 3. Legal Proceedings**

Neither we nor any of our subsidiaries are party to any material legal proceedings. From time to time, the Bank is a party to legal actions arising from its normal business activities.

### **Item 4. Mine Safety Disclosures**

None.

## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

#### ***Market Information***

The Company's common stock trades on the Nasdaq Global Select Market under the symbol "INBK."

As of March 6, 2026, the Company had 8,716,662 shares of common stock issued and outstanding, and there were 98 holders of record of common stock.

#### ***Dividends***

Total cash dividends declared by the Company in 2025 were \$0.24 per share. The Company expects to continue to pay cash dividends on a quarterly basis; however, the declaration and amount of any future cash dividends will be subject to the sole discretion of the Board of Directors and will depend upon many factors, including our results of operations, financial condition, capital requirements, regulatory and contractual restrictions (including with respect to the Company's outstanding subordinated debt), business strategy and other factors deemed relevant by the Board of Directors.

Because the Company is a holding company and does not engage directly in business activities of a material nature, its ability to pay dividends to shareholders may depend, in large part, upon the receipt of distributions from the Bank, which is also subject to numerous limitations on the payment of dividends under federal and state banking laws, regulations and policies. The present and future ability of the Bank to distribute funds to the Company are subject to the discretion of the Board of the Directors of the Bank and the Bank is not obligated to pay any distributions to the Company.

### ***Issuer Purchases of Equity Securities***

On December 19, 2022, the Company's Board of Directors approved a stock repurchase program that authorized the repurchase of up to \$25.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization expired on December 31, 2024. Under the program, the Company repurchased 559,522 shares of common stock, at an average price of \$19.06, for a total investment of \$10.7 million.

On October 20, 2025, the Board of Directors of the Company authorized the repurchase of up to \$25.0 million of the Company's outstanding common stock from time to time on the open market or in privately negotiated transactions. Under the program, the Company repurchased 27,998 shares of common stock, at an average price of \$18.64, for a total investment of \$0.5 million as of December 31, 2025. The stock repurchase authorization is scheduled to expire on September 30, 2027.

The following table presents information with respect to purchases of the Company's common stock made during the fourth quarter of 2025 by or on behalf of the Company or any "affiliated purchaser," as defined in Rule 10b-18(a)(3).

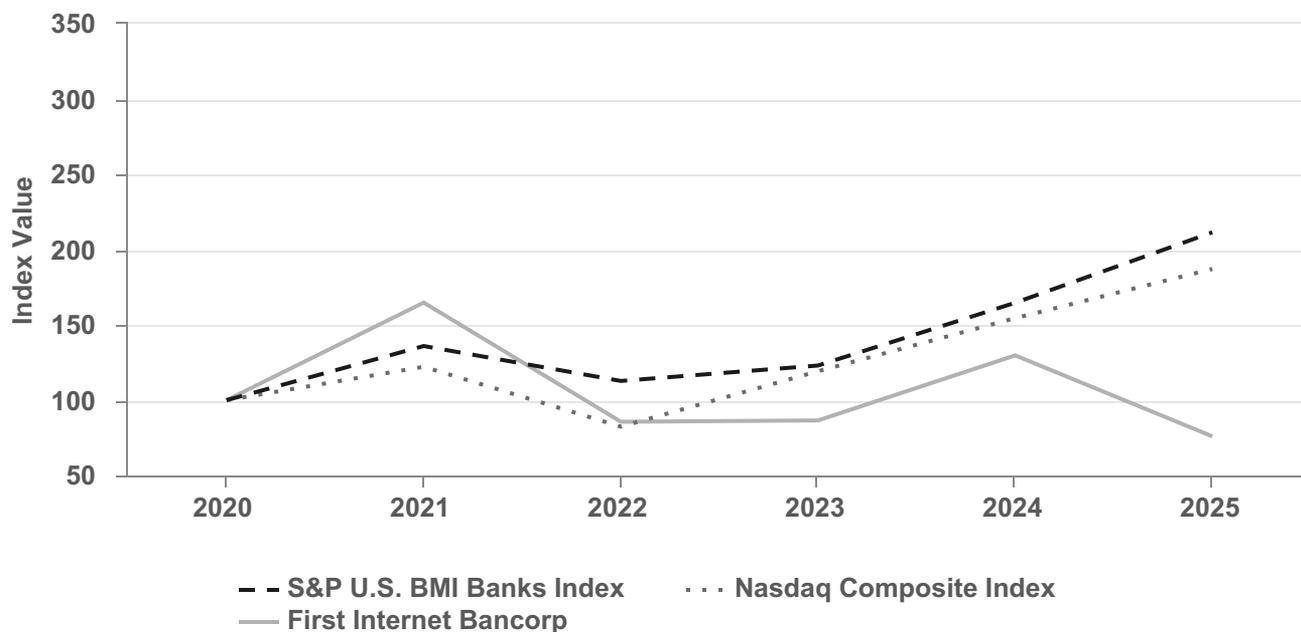
*(dollars in thousands, except per share data)*

|                                      | <b>Total Number of<br/>Shares Purchased</b> | <b>Average Price Paid<br/>Per Share</b> | <b>Total Number of<br/>Shares Purchased<br/>As Part of Publicly<br/>Announced<br/>Programs</b> | <b>Approximate<br/>Dollar Value Of<br/>Shares That May<br/>Yet Be Purchased<br/>Under The<br/>Programs</b> |
|--------------------------------------|---|---|--|--|
| October 1, 2025 - October 31, 2025   | 4,000                                       | \$ 18.36                                | 4000   | \$ 24,927  |
| November 1, 2025 - November 30, 2025 | 19,000                                      | 18.38                                   | 19,000   | 24,577   |
| December 1, 2025 - December 31, 2025 | 4,998                                       | 19.89                                   | 4,998  | 24,478   |
| Total                                | <u>27,998</u>                               |   | <u>27,998</u>  |  |

### ***Stock Performance Graph***

The following graph and table compares the five-year cumulative total return to shareholders of First Internet Bancorp common stock with that of the Nasdaq Composite Index and the S&P U.S. BMI Banks Index. The following assumes \$100 invested on December 31, 2020 in First Internet Bancorp, the Nasdaq Composite Index and the S&P U.S. BMI Bank Index, and assumes that dividends are reinvested. The historical stock price performance for our common stock is not necessarily indicative of future stock performance.

## Total Return Performance



| Index                    | December 31, |           |          |          |           |          |
|--------------------------|--------------|-----------|----------|----------|-----------|----------|
|                          | 2020         | 2021      | 2022     | 2023     | 2024      | 2025     |
| First Internet Bancorp   | \$ 100.00    | \$ 164.81 | \$ 85.68 | \$ 86.54 | \$ 129.74 | \$ 75.99 |
| Nasdaq Composite Index   | 100.00       | 122.18    | 82.43    | 119.22   | 154.48    | 187.14   |
| S&P U.S. BMI Banks Index | 100.00       | 135.97    | 112.77   | 123.02   | 164.70    | 211.47   |

**Item 6. [RESERVED]**

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this report.*

*The following discussion, analysis and comparisons generally focus on the operating results for the years ended December 31, 2025 and 2024. Discussion, analysis and comparisons of the years ended December 31, 2024 and 2023 that are not included in this Annual Report on Form 10-K can be found in “Management's Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024. This discussion and analysis includes certain forward-looking statements that involve risks, uncertainties and assumptions. You should review the “Risk Factors” section of this report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by such forward-looking statements. See also the “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this report.*

### **Results of Operations**

During the twelve months ended December 31, 2025, net loss was \$35.2 million, or \$4.03 diluted loss per share, compared to net income of \$25.3 million, or \$2.88 per diluted share, for the twelve months ended December 31, 2024 and net income of \$8.4 million, or \$0.95 per diluted share, for the twelve months ended December 31, 2023.

The \$60.4 million decrease in net income for the twelve months ended December 31, 2025 compared to the twelve months ended December 31, 2024 was due primarily to an increase of \$55.2 million, or 323.6%, in provision for credit losses, a decrease of \$44.6 million, or 94.3%, in noninterest income and an increase of \$4.9 million, or 5.5%, in noninterest expense, partially offset by an increase of \$26.4 million, or 30.2%, in net interest income and a decrease of \$18.0 million in income tax expense.

During the twelve months ended December 31, 2025, the Company closed on the sale of \$851.2 million of single tenant lease financing loans recognizing a pre-tax loss of \$38.2 million on the transaction. The transaction was executed as part of an initiative to strengthen the Company’s regulatory capital ratios and improve its interest rate risk position. While the loss on the transaction negatively impacted shareholders’ equity and regulatory capital, the transaction significantly reduced risk-weighted assets, resulting in a net positive effect on regulatory capital ratios. Furthermore, the loan sale reduced the Company’s interest rate risk profile by reducing exposure to longer-duration assets. Additionally, the Company expects the transaction to have a beneficial impact on key profitability metrics, such as net interest margin and return on average assets, in future periods.

During the twelve months ended December 31, 2025, return on average assets (“ROAA”), return on average equity (“ROAE”) and return on average tangible common equity (“ROATCE”) were (0.60%), (9.15%) and (9.26%), respectively. Excluding the after tax net loss on the sale of the single tenant lease financing loans, adjusted net loss for the twelve months ended December 31, 2025, was \$5.7 million, and adjusted diluted loss per share was \$0.66. Additionally, for the twelve months ended December 31, 2025, adjusted ROAA, adjusted ROAE and adjusted ROATCE were (0.10%), (1.49%) and (1.51%), respectively.

The increase in net income of \$16.9 million for the twelve months ended December 31, 2024 compared to the twelve months ended December 31, 2023 was due primarily to increases of \$21.2 million, or 81.2%, in noninterest income and \$12.5 million, or 16.7%, in net interest income, partially offset by increases of \$10.7 million, or 13.4%, in noninterest expense, \$5.7 million in income tax expense and \$0.4 million, or 2.5%, in provision for credit losses.

During the twelve months ended December 31, 2024, ROAA, ROAE and ROATCE were 0.46%, 6.70% and 6.78%, respectively. The Company recognized gains of \$2.9 million from the termination of interest rate swap agreements and \$1.8 million from the prepayment of FHLB advances, as well as expenses of \$0.5 million in IT termination fees and \$0.1 million in anniversary expenses. Adjusted for these items, net income for the twelve months ended December 31, 2024 was \$22.0 million, and adjusted diluted earnings per share was \$2.51. Additionally, for the twelve months ended December 31, 2024, adjusted ROAA, adjusted ROAE and adjusted ROATCE were 0.40%, 5.83% and 5.90%, respectively.

Refer to the “Reconciliation of Non-GAAP Financial Measures” section of Item 7 of Part II of this report, Management’s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

## Consolidated Average Balance Sheets and Net Interest Income Analyses

For the periods presented, the following table provides the average balances of interest-earning assets and interest-bearing liabilities and the related yields and cost of funds. The table does not reflect any effect of income taxes. Balances are based on the average of daily balances. Nonaccrual loans are included in average loan balances.

| (dollars in thousands)                     | Twelve Months Ended |                    |            |                    |                    |            |                    |                    |            |
|--|---------------------|--------------------|------------|--------------------|--------------------|------------|--------------------|--------------------|------------|
|  | December 31, 2025   |                    |            | December 31, 2024  |                    |            | December 31, 2023  |                    |            |
|  | Average Balance     | Interest/Dividends | Yield/Cost | Average Balance    | Interest/Dividends | Yield/Cost | Average Balance    | Interest/Dividends | Yield/Cost |
| <b>Assets</b>                              |                     |                    |            |                    |                    |            |                    |                    |            |
| Interest-earning assets                    |                     |                    |            |                    |                    |            |                    |                    |            |
| Loans, including loans held-for-sale       | \$4,223,146         | \$ 259,840         | 6.15 %     | \$3,997,397        | \$ 233,844         | 5.85 %     | \$3,685,729        | \$ 192,337         | 5.22 %     |
| Securities - taxable                       | 839,878             | 34,950             | 4.16 %     | 692,806            | 26,742             | 3.86 %     | 551,479            | 17,189             | 3.12 %     |
| Securities - non-taxable                   | 79,897              | 2,618              | 3.28 %     | 77,987             | 3,775              | 4.84 %     | 72,571             | 3,532              | 4.87 %     |
| Other earning assets                       | 519,976             | 22,749             | 4.38 %     | 516,836            | 27,526             | 5.33 %     | 500,061            | 26,384             | 5.28 %     |
| Total interest-earning assets              | 5,662,897           | 320,157            | 5.65 %     | 5,285,026          | 291,887            | 5.52 %     | 4,809,840          | 239,442            | 4.98 %     |
| Allowance for credit losses - loans        | (51,440)            |                    |            | (42,758)           |                    |            | (36,038)           |                    |            |
| Noninterest-earning assets                 | 237,366             |                    |            | 220,462            |                    |            | 194,712            |                    |            |
| Total assets                               | <u>\$5,848,823</u>  |                    |            | <u>\$5,462,730</u> |                    |            | <u>\$4,968,514</u> |                    |            |
| <b>Liabilities</b>                         |                     |                    |            |                    |                    |            |                    |                    |            |
| Interest-bearing liabilities               |                     |                    |            |                    |                    |            |                    |                    |            |
| Interest-bearing demand deposits           | \$1,152,210         | \$ 36,007          | 3.13 %     | \$ 494,082         | \$ 10,448          | 2.11 %     | \$ 366,082         | \$ 6,186           | 1.69 %     |
| Savings accounts                           | 20,229              | 171                | 0.85 %     | 22,336             | 189                | 0.85 %     | 29,200             | 249                | 0.85 %     |
| Money market accounts                      | 1,243,300           | 45,459             | 3.66 %     | 1,230,443          | 51,036             | 4.15 %     | 1,276,602          | 49,890             | 3.91 %     |
| Fintech - brokered deposits                | —                   | —                  | — %        | 141,860            | 6,023              | 4.25 %     | 33,039             | 1,402              | 4.24 %     |
| Certificates and brokered deposits         | 2,451,191           | 106,753            | 4.36 %     | 2,430,205          | 115,454            | 4.75 %     | 2,040,041          | 85,636             | 4.20 %     |
| Total interest-bearing deposits            | 4,866,930           | 188,390            | 3.87 %     | 4,318,926          | 183,150            | 4.24 %     | 3,744,964          | 143,363            | 3.83 %     |
| Other borrowed funds                       | 421,947             | 18,007             | 4.27 %     | 629,137            | 21,360             | 3.40 %     | 719,617            | 21,175             | 2.94 %     |
| Total interest-bearing liabilities         | 5,288,877           | 206,397            | 3.90 %     | 4,948,063          | 204,510            | 4.13 %     | 4,464,581          | 164,538            | 3.69 %     |
| Noninterest-bearing deposits               | 154,712             |                    |            | 114,396            |                    |            | 125,816            |                    |            |
| Other noninterest-bearing liabilities      | 20,802              |                    |            | 23,056             |                    |            | 20,317             |                    |            |
| Total liabilities                          | 5,464,391           |                    |            | 5,085,515          |                    |            | 4,610,714          |                    |            |
| <b>Shareholders' equity</b>                | 384,432             |                    |            | 377,215            |                    |            | 357,800            |                    |            |
| Total liabilities and shareholders' equity | <u>\$5,848,823</u>  |                    |            | <u>\$5,462,730</u> |                    |            | <u>\$4,968,514</u> |                    |            |
| Net interest income                        |                     | <u>\$ 113,760</u>  |            |                    | <u>\$ 87,377</u>   |            |                    | <u>\$ 74,904</u>   |            |
| Interest rate spread <sup>1</sup>          |                     |                    | 1.75 %     |                    |                    | 1.39 %     |                    |                    | 1.29 %     |
| Net interest margin <sup>2</sup>           |                     |                    | 2.01 %     |                    |                    | 1.65 %     |                    |                    | 1.56 %     |
| Net interest margin - FTE <sup>3</sup>     |                     |                    | 2.09 %     |                    |                    | 1.74 %     |                    |                    | 1.67 %     |

<sup>1</sup> Yield on total interest-earning assets minus cost of total interest-bearing liabilities

<sup>2</sup> Net interest income divided by average interest-earning assets

<sup>3</sup> On a fully-taxable equivalent ("FTE") basis assuming a 21% tax rate. Refer to the "Reconciliation of Non-GAAP Financial Measures" section of Item 7 of Part II of this report, Management's Discussion and Analysis of Financial Condition and Results of Operations

## Rate/Volume Analysis

The following table illustrates the impact of changes in the volume of interest-earning assets and interest-bearing liabilities and interest rates on net interest income for the periods indicated. The change in interest not due solely to volume or rate has been allocated in proportion to the absolute dollar amounts of the change in each.

| <i>(amounts in thousands)</i>          | Rate/Volume Analysis of Net Interest Income                                      |                  |                  |  |                 |                  |
|--|--|------------------|------------------|--|-----------------|------------------|
|  | Twelve Months Ended December 31, 2025 vs.<br>December 31, 2024 Due to Changes in |                  |                  | Twelve Months Ended December 31, 2024 vs.<br>December 31, 2023 Due to Changes in |                 |                  |
|  | Volume   | Rate             | Net              | Volume   | Rate            | Net              |
| <b>Interest income</b>                 |  |                  |                  |  |                 |                  |
| Loans, including loans held-for-sale   | \$ 13,624  | \$ 12,372        | \$ 25,996        | \$ 17,100  | \$ 24,407       | \$ 41,507        |
| Securities – taxable                   | 6,009  | 2,199            | 8,208            | 4,961  | 4,592           | 9,553            |
| Securities – non-taxable               | 90   | (1,247)          | (1,157)          | 265  | (22)            | 243              |
| Other earning assets                   | 166  | (4,943)          | (4,777)          | 891  | 251             | 1,142            |
| <b>Total</b>                           | <b>19,889</b>  | <b>8,381</b>     | <b>28,270</b>    | <b>23,217</b>  | <b>29,228</b>   | <b>52,445</b>    |
| <b>Interest expense</b>                |  |                  |                  |  |                 |                  |
| Interest-bearing demand deposits       | 18,753   | 6,806            | 25,559           | 2,491  | 1,771           | 4,262            |
| Savings accounts                       | (18)   | —                | (18)             | (60)   | —               | (60)             |
| Money market accounts                  | 527  | (6,104)          | (5,577)          | (1,847)  | 2,993           | 1,146            |
| Fintech - brokered deposits            | (6,023)  | —                | (6,023)          | 4,618  | 3               | 4,621            |
| Certificates and brokered deposits     | 976  | (9,677)          | (8,701)          | 17,699   | 12,119          | 29,818           |
| Other borrowed funds                   | (8,047)  | 4,694            | (3,353)          | (2,867)  | 3,052           | 185              |
| <b>Total</b>                           | <b>6,168</b>   | <b>(4,281)</b>   | <b>1,887</b>     | <b>20,034</b>  | <b>19,938</b>   | <b>39,972</b>    |
| <b>Increase in net interest income</b> | <b>\$ 13,721</b>   | <b>\$ 12,662</b> | <b>\$ 26,383</b> | <b>\$ 3,183</b>  | <b>\$ 9,290</b> | <b>\$ 12,473</b> |

Net interest income for the twelve months ended December 31, 2025 was \$113.8 million, an increase of \$26.4 million, or 30.2%, compared to \$87.4 million for the twelve months ended December 31, 2024. The increase in net interest income was the result of a \$28.3 million, or 9.7%, increase in total interest income to \$320.2 million for the twelve months ended December 31, 2025 compared to \$291.9 million for the twelve months ended December 31, 2024. The increase in total interest income was partially offset by a \$1.9 million, or 0.9%, increase in total interest expense to \$206.4 million for the twelve months ended December 31, 2025 compared to \$204.5 million for the twelve months ended December 31, 2024.

The growth in total interest income was due primarily to an increase in interest earned on loans, resulting from an increase of 30 bps in the yield earned on loans, as well as an increase of \$225.7 million, or 5.6%, in the average balance of loans, including loans held-for-sale. Additionally, the average balance of securities increased \$149.0 million, or 19.3%, and the yield earned on the securities portfolio increased 13 bps. The increase in total interest income was partially offset by a 95 bp decrease in the yield on other earning assets. The increase in the yield earned on loans was driven by new originations throughout the year as the yield on funded portfolio originations was 7.31%, well above the overall loan portfolio yield. Additionally, the yield earned on the loan portfolio benefitted from the sale of the single tenant lease financing loans, which had interest rates below the overall loan portfolio yield. The increase in the yield earned on securities was primarily driven by new securities purchases during the year, partially offset by the maturity of an interest rate swap designed to enhance the yield on certain municipal securities. The decrease in the yield earned on other earning assets was due mainly to the impact of decreases in the Fed Funds rates on cash balances held at the Federal Reserve.

The increase in total interest expense was due primarily to an increase of \$25.6 million, or 244.6%, in interest expense associated with interest-bearing demand deposits, partially offset by decreases of \$8.7 million, or 7.5%, in interest expense associated with certificates and brokered deposits, \$5.6 million, or 10.9%, in interest expense associated with money market accounts and \$3.4 million, or 15.7%, in interest expense associated with other borrowed funds. When combined with deposits formerly classified as fintech - brokered deposits, the increase in interest expense related to interest-bearing demand deposits was due primarily to a 378 bp increase in the cost of these deposits, as well as an increase of \$516.3 million, or 81.2%, in the average balance of these deposits. The decrease in interest expense related to certificates and brokered deposits was driven by a 39 bp decline in cost of these deposits, partially offset by a slight increase in the average balance of these deposits. The decrease in the cost of funds was due to the combination of lower rates on new certificates of deposit production and using on-balance sheet liquidity to paydown higher-cost brokered deposits as they matured. The decrease in interest expense related to money

market accounts was driven primarily by a decrease of 49 bps in the cost of these deposits, partially offset by a slight increase in the average balance of these deposits. The decrease in the cost of funds was due to the impact of decreases in the Fed Funds rate late in 2024 and in the second half of 2025. The decrease in interest expense related to other borrowed funds was driven by a decrease in the average balance of \$207.2 million, or 32.9%, partially offset by an 87 bp increase in the cost of these funds. The decrease in the average balance of other borrowed funds was driven primarily by the early paydown of Federal Home Loan Bank advances late in 2024 as the Company deployed excess on-balance liquidity to reduce the size of the balance sheet and lower interest expense in future periods. The increase in the cost of the funds was due mainly to the cost of one issuance of subordinated debt repricing higher as its fixed-rate term expired in the third quarter of 2024 and converted to variable rate.

Net interest margin (“NIM”) was 2.01% for the twelve months ended December 31, 2025 compared to 1.65% for the twelve months ended December 31, 2024, an increase of 36 bps. On a fully-taxable equivalent (“FTE”) basis, NIM was 2.09% for the twelve months ended December 31, 2025 compared to 1.74% for the twelve months ended December 31, 2024, an increase of 35 bps. The increase in NIM and FTE NIM compared to the twelve months ended December 31, 2024 reflects the combination of higher yields on loans and securities and continued improvement in the cost of funds related to deposits.

### ***Noninterest Income***

The following table presents noninterest income for the three most recent years.

| <i>(amounts in thousands)</i>    | <b>Twelve Months Ended December 31,</b> |                  |                  |
|----------------------------------|---|------------------|------------------|
|                                  | <b>2025</b>                             | <b>2024</b>      | <b>2023</b>      |
| Service charges and fees         | \$ 1,366                                | \$ 959           | \$ 851           |
| Loan servicing revenue           | 8,730                                   | 6,188            | 3,833            |
| Loan servicing asset revaluation | (5,466)                                 | (2,537)          | (1,463)          |
| Mortgage banking activities      | —                                       | —                | 76               |
| (Loss) gain on sale of loans     | (8,313)                                 | 33,329           | 20,526           |
| Other                            | 6,395                                   | 9,406            | 2,302            |
| <b>Total noninterest income</b>  | <b>\$ 2,712</b>                         | <b>\$ 47,345</b> | <b>\$ 26,125</b> |

Noninterest income for the twelve months ended December 31, 2025 was \$2.7 million, representing a decrease of \$44.6 million, or 94.3%, compared to \$47.3 million for the twelve months ended December 31, 2024. Excluding the pre-tax loss of \$38.2 million on the sale of the single tenant lease financing loans, adjusted noninterest income for the twelve months ended December 31, 2025 was \$40.9 million. Excluding the gain on termination of interest rate swaps of \$2.9 million and the gain on prepayment of FHLB advances of \$1.8 million, adjusted noninterest income for the twelve months ended December 31, 2024 was \$42.6 million.

The decline in adjusted noninterest income of \$1.7 million, or 3.9%, was due primarily to a decrease of \$3.4 million, or 10.2%, in gain on sale of loans, partially offset by an increase of \$1.7 million in other noninterest income. During 2025, the Company recognized \$29.4 million in gain of sales of U.S. Small Business Administration (“SBA”) 7(a) guaranteed loans compared to \$33.2 million in 2024. The decrease was due mainly to a decrease in sold loan volume as the Company implemented a process change in the second quarter 2025 to hold SBA loans held-for-sale longer before selling into the secondary market. This process change had a one quarter effect as gain on sale revenue reverted to normalized levels in the third quarter 2025. The increase in other noninterest income was primarily driven by higher fintech partnership revenue resulting from increased program management fees and higher payments volume.

## Noninterest Expense

The following table presents noninterest expense for the three most recent years.

| <i>(amounts in thousands)</i>        | Twelve Months Ended December 31, |                  |                  |
|--------------------------------------|----------------------------------|------------------|------------------|
|                                      | 2025                             | 2024             | 2023             |
| Salaries and employee benefits       | \$ 51,026                        | \$ 51,756        | \$ 45,322        |
| Marketing, advertising and promotion | 2,475                            | 2,589            | 2,567            |
| Consulting and professional services | 4,327                            | 3,744            | 3,082            |
| Data processing                      | 2,654                            | 2,448            | 2,373            |
| Loan expenses                        | 6,714                            | 5,947            | 5,756            |
| Premises and equipment               | 13,673                           | 11,902           | 10,599           |
| Deposit insurance premium            | 6,109                            | 5,000            | 3,880            |
| Other                                | 8,049                            | 6,724            | 5,857            |
| <b>Total noninterest expense</b>     | <b>\$ 95,027</b>                 | <b>\$ 90,110</b> | <b>\$ 79,436</b> |

Noninterest expense for the twelve months ended December 31, 2025 was \$95.0 million, representing an increase of \$4.9 million or 5.5%, compared to \$90.1 million for the twelve months ended December 31, 2024. Excluding the IT termination fees of \$0.5 million and anniversary expenses of \$0.1 million, adjusted noninterest expense for the twelve months ended December 31, 2024 was \$89.5 million.

The decline in adjusted noninterest expense of \$5.5 million, or 6.1%, was due primarily to increases of \$2.2 million, or 19.4%, in premises and equipment, \$1.4 million, or 21.9%, in other noninterest expense and \$1.1 million, or 22.2%, in deposit insurance premium. The increase in premises and equipment was driven by higher software maintenance costs. The increase in other noninterest expense was due mainly to higher fintech volume activity and the increase in deposit insurance premium was due to changes in the composition of the loan portfolio.

## Income Taxes

In December 2023, the FASB issued ASU 2023-09, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of our effective tax rates to statutory rates. The Company adopted ASU 2023-09 on a prospective basis for the year ended December 31, 2025.

| <i>(amounts in thousands)</i>                                      | <b>December 31, 2025</b> |                |
|--|--------------------------|----------------|
|  | <b>Amount</b>            | <b>Percent</b> |
| U.S. federal statutory tax rate                                    | \$ (10,682)              | (21.0%)        |
| State and local income tax, net of federal tax effect <sup>1</sup> | (1,189)                  | (2.3%)         |
| Effect of:   |                          |                |
| Tax credits  | (206)                    | (0.4%)         |
| Nontaxable or nondeductible items:                                 |                          |                |
| Income from tax-exempt securities and loans                        | (3,497)                  | (6.9%)         |
| Other  | (127)                    | (0.3%)         |
| Total  | <u>\$ (15,701)</u>       | <u>(30.9%)</u> |

<sup>1</sup> The states that contribute to the majority (greater than 50%) of the tax effect in the category include Indiana and Florida for 2025.

The following table reconciles reported income tax provision (benefit) to that computed at the statutory federal tax rate for the years ended December 31, 2024 and 2023, in accordance with the guidance prior to the adoption of ASU 2023-09.

| <i>(amounts in thousands)</i>                 | <b>December 31,</b> |                   |
|---|---------------------|-------------------|
|   | <b>2024</b>         | <b>2023</b>       |
| Statutory rate times pre-tax income           | \$ 5,784            | \$ 1,037          |
| (Subtract) add the tax effect of:             |                     |                   |
| Income from tax-exempt securities and loans   | (3,500)             | (3,951)           |
| State income taxes, net of federal tax effect | 47                  | (30)              |
| Bank-owned life insurance                     | (262)               | (215)             |
| Tax credits                                   | (110)               | (168)             |
| Other differences                             | 307                 | (150)             |
| <b>Income tax provision (benefit)</b>         | <u>\$ 2,266</u>     | <u>\$ (3,477)</u> |

We recognized an income tax benefit of \$15.7 million in 2025, compared to an income tax provision of \$2.3 million and an effective tax rate of 8.2% in 2024 and a benefit of \$3.5 million in 2023. Our federal statutory tax rate was 21% in 2024. The variance from the federal statutory rate was due primarily to tax-exempt income. Interest income on certain loans or securities issued by governmental, municipal and not-for-profit entities, and earnings from bank-owned life insurance were the primary components of tax-exempt income. The income tax benefit recognized during 2025 also reflects the impact of a pre-tax loss of \$38.2 million from the loss on the sale of the single tenant lease financing loans.

## Financial Condition

The following table presents summary balance sheet data as of the end of the last two years.

(amounts in thousands)

| Balance Sheet Data:                  | December 31, |              |
|--------------------------------------|--------------|--------------|
|                                      | 2025         | 2024         |
| Total assets                         | \$ 5,571,647 | \$ 5,737,859 |
| Loans                                | 3,746,728    | 4,170,646    |
| Total securities                     | 1,029,296    | 837,151      |
| Loans held-for-sale                  | 108,608      | 54,695       |
| Noninterest-bearing deposits         | 146,879      | 136,451      |
| Interest-bearing deposits            | 4,692,934    | 4,796,755    |
| Total deposits                       | 4,839,813    | 4,933,206    |
| Advances from Federal Home Loan Bank | 249,500      | 295,000      |
| Total shareholders' equity           | 359,767      | 384,063      |

Total assets decreased \$166.2 million, or 2.9%, to \$5.6 billion as of December 31, 2025 compared to \$5.7 billion as of December 31, 2024. The decrease was driven by a decline in loans due to the single tenant lease financing loan sale and lower franchise finance balances, partially offset by higher investor commercial real estate, commercial and industrial and small business lending balances. Total liabilities declined \$141.9 million, or 2.7%, to \$5.2 billion at December 31, 2025 compared to \$5.4 billion at December 31, 2024. The decrease was due mainly to a decrease in total deposits, as well as a decline in advances from the Federal Home Loan Bank. Increased liquidity from growth in fintech partnership deposits allowed the Company to pay down higher cost brokered deposits and advances from the Federal Home Loan Bank throughout 2025. Additionally, following the sale of the single tenant lease financing loans, the Company moved a significant amount of fintech deposits off-balance sheet in order to manage the overall size of the balance sheet.

As of December 31, 2025, total shareholders' equity was \$359.8 million, a decrease of \$24.3 million, or 6.3%, compared to December 31, 2024. The decrease in shareholders' equity was due primarily to the net loss during 2025, partially offset by a decrease in accumulated other comprehensive loss as unrealized losses on securities declined during the year. Tangible common equity totaled \$355.1 million as of December 31, 2025, representing a decrease of \$24.3 million, or 6.4%, compared to December 31, 2024. The ratio of total shareholders' equity to total assets decreased to 6.46% as of December 31, 2025 from 6.69% as of December 31, 2024 and the ratio of tangible common equity to tangible assets decreased to 6.38% as of December 31, 2025 from 6.62% as of December 31, 2024.

Book value per common share decreased 6.5% to \$41.41 as of December 31, 2025 from \$44.31 as of December 31, 2024. Tangible book value per share decreased 6.6% to \$40.87 as of December 31, 2025 from \$43.77 as of December 31, 2024. The decrease in both book value per common share and tangible book value per common share was driven primarily by the decreases in total shareholders' equity and tangible common equity. Refer to the "Reconciliation of Non-GAAP Financial Measures" section of Item 7 of Part II of this report, Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information.

## Loan Portfolio Analysis

The following table provides information regarding our loan portfolio as of the end of the last two years.

| <i>(dollars in thousands)</i>   | December 31,        |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | 2025                |                | 2024                |                |
| <b>Commercial loans</b>   |                     |                |                     |                |
| Commercial and industrial   | \$ 221,714          | 5.9 %          | \$ 120,175          | 2.9 %          |
| Owner-occupied commercial real estate   | 48,575              | 1.3 %          | 53,591              | 1.3 %          |
| Investor commercial real estate   | 647,394             | 17.3 %         | 269,431             | 6.5 %          |
| Construction  | 372,668             | 9.9 %          | 413,523             | 9.9 %          |
| Single tenant lease financing   | 222,925             | 5.9 %          | 949,748             | 22.7 %         |
| Public finance  | 442,234             | 11.8 %         | 485,867             | 11.6 %         |
| Healthcare finance  | 139,469             | 3.7 %          | 181,427             | 4.4 %          |
| Small business lending <sup>1</sup>   | 430,024             | 11.5 %         | 331,914             | 8.0 %          |
| Franchise finance   | 417,045             | 11.1 %         | 536,909             | 12.9 %         |
| Total commercial loans  | 2,942,048           | 78.4 %         | 3,342,585           | 80.2 %         |
| <b>Consumer loans</b>   |                     |                |                     |                |
| Residential mortgage  | 343,110             | 9.2 %          | 375,160             | 9.0 %          |
| Home equity   | 14,725              | 0.4 %          | 18,274              | 0.4 %          |
| Other consumer  | 425,458             | 11.4 %         | 407,947             | 9.8 %          |
| Total consumer loans  | 783,293             | 21.0 %         | 801,381             | 19.2 %         |
| Total commercial and consumer loans   | 3,725,341           | 99.4 %         | 4,143,966           | 99.4 %         |
| Net deferred loan origination costs, premiums and discounts on purchased loans and other <sup>2</sup> | 21,387              | 0.6 %          | 26,680              | 0.6 %          |
| <b>Total loans</b>  | <b>3,746,728</b>    | <b>100.0 %</b> | <b>4,170,646</b>    | <b>100.0 %</b> |
| Allowance for credit losses - loans   | (55,686)            |                | (44,769)            |                |
| <b>Net loans</b>  | <b>\$ 3,691,042</b> |                | <b>\$ 4,125,877</b> |                |

<sup>1</sup> Balances include \$52.2 million and \$34.0 million that are guaranteed by the U.S. government as of December 31, 2025 and December 31, 2024, respectively.

<sup>2</sup> Includes carrying value adjustments of \$19.1 million and \$22.9 million related to terminated interest rate swaps associated with public finance loans as of December 31, 2025 and December 31, 2024, respectively.

Total loans were \$3.7 billion as of December 31, 2025, a decrease of \$423.9 million, or 10.2%, compared to December 31, 2024. Total commercial loan balances were \$2.9 billion, as of December 31, 2025, a decrease of \$400.5 million, or 12.0%, from December 31, 2024. Total consumer loan balances were \$783.3 million as of December 31, 2025, a decrease of \$18.1 million, or 2.3%, compared to December 31, 2024. Compared to December 31, 2024, the decrease in commercial loan balances was driven by the sale of the single tenant lease financing loans, planned run-off in the franchise finance and healthcare finance portfolios and a decline in the fixed rate public finance portfolio. The decreases were partially offset by increases in investor commercial real estate, which was driven by completed construction projects that were moved to investor commercial real estate upon entering their stabilization period, as well as growth in the commercial and industrial and small business lending portfolios. The slight decrease in consumer loan balances was due primarily to expected run-off in the residential mortgage portfolio, partially offset by origination activity in the other consumer loans portfolio.

### ***Loan Maturities and Rate Sensitivity***

The following table shows the contractual maturity distribution intervals (without regard to repayment or repricing schedules) of the outstanding loans in our portfolio as of December 31, 2025.

| <i>(amounts in thousands)</i>         | <b>Within 1 Year</b> | <b>1-5 Years</b> | <b>5-15 Years</b> | <b>Beyond 15 Years</b> | <b>Total</b> |
|---------------------------------------|----------------------|------------------|-------------------|------------------------|--------------|
| <b>Commercial loans</b>               |                      |                  |                   |                        |              |
| Commercial and industrial             | \$ 13,295            | \$ 106,847       | \$ 101,572        | \$ —                   | \$ 221,714   |
| Owner-occupied commercial real estate | 5,618                | 21,992           | 20,965            | —                      | 48,575       |
| Investor commercial real estate       | 450,237              | 196,641          | 516               | —                      | 647,394      |
| Construction                          | 130,412              | 238,536          | 3,720             | —                      | 372,668      |
| Single tenant lease financing         | 21,939               | 163,593          | 37,393            | —                      | 222,925      |
| Public finance                        | 13,262               | 110,941          | 315,411           | 2,620                  | 442,234      |
| Healthcare finance                    | 2,237                | 95,239           | 41,993            | —                      | 139,469      |
| Small business lending                | 37                   | 7,327            | 357,467           | 65,193                 | 430,024      |
| Franchise finance                     | 1,329                | 239,162          | 176,554           | —                      | 417,045      |
| Total commercial loans                | 638,366              | 1,180,278        | 1,055,591         | 67,813                 | 2,942,048    |
| <b>Consumer loans</b>                 |                      |                  |                   |                        |              |
| Residential mortgage                  | 473                  | 363              | 13,133            | 329,141                | 343,110      |
| Home equity                           | 731                  | 229              | 3,147             | 10,618                 | 14,725       |
| Other consumer                        | 447                  | 19,703           | 337,192           | 68,116                 | 425,458      |
| Total consumer loans                  | 1,651                | 20,295           | 353,472           | 407,875                | 783,293      |
| Total commercial and consumer loans   | \$ 640,017           | \$ 1,200,573     | \$ 1,409,063      | \$ 475,688             | \$ 3,725,341 |

The following table shows the rate sensitivity of the outstanding loans in our portfolio by the contractual maturity distribution intervals as of December 31, 2025.

| <i>(amounts in thousands)</i>       | <b>Within 1 Year</b> | <b>1-5 Years</b> | <b>5-15 Years</b> | <b>Beyond 15 Years</b> | <b>Total</b> |
|-------------------------------------|----------------------|------------------|-------------------|------------------------|--------------|
| Fixed rate                          | \$ 60,523            | \$ 702,570       | \$ 1,020,338      | \$ 365,377             | \$ 2,148,808 |
| Variable rate                       | 579,494              | 498,003          | 388,725           | 110,311                | 1,576,533    |
| Total commercial and consumer loans | \$ 640,017           | \$ 1,200,573     | \$ 1,409,063      | \$ 475,688             | \$ 3,725,341 |

### ***Loan Approval Procedures and Authority***

Our lending activities follow written, non-discriminatory policies with loan approval limits approved by the Board of Directors of the Bank. Loan officers have underwriting and approval authorization of varying amounts based on their lending experience and product type. Additionally, based on the amount of the loan, multiple approvals may be required. Based on the Bank's legal lending limit, the maximum it could lend to any one borrower at December 31, 2025 was \$70.4 million.

Our goal is to have a well-diversified and balanced loan portfolio. In order to manage our loan portfolio risk, we establish concentration limits by borrower, product type, industry and geography. To supplement our internal loan review resources, we have engaged independent third-party loan review groups, which are a key component of our overall risk management process related to credit administration.

## Asset Quality

| <i>(dollars in thousands)</i>                              | December 31,     |                  |
|--|------------------|------------------|
|  | 2025             | 2024             |
| <b>Nonaccrual loans</b>                                    |                  |                  |
| Commercial loans:  |                  |                  |
| Commercial and industrial                                  | \$ 240           | \$ —             |
| Single tenant lease financing                              | 1,665            | —                |
| Healthcare finance   | 2,596            | —                |
| Small business lending <sup>1</sup>                        | 19,781           | 11,429           |
| Franchise finance  | 26,978           | 10,382           |
| Total commercial loans                                     | <u>51,260</u>    | <u>21,811</u>    |
| Consumer loans:  |                  |                  |
| Residential mortgage                                       | 4,893            | 4,083            |
| Other consumer   | 234              | 61               |
| Total consumer loans                                       | <u>5,127</u>     | <u>4,144</u>     |
| Total nonaccrual loans                                     | <u>56,387</u>    | <u>25,955</u>    |
| <b>Past due 90 days and accruing loans</b>                 |                  |                  |
| Commercial loans:  |                  |                  |
| Small business lending                                     | —                | 1,320            |
| Franchise finance  | 1,144            | —                |
| Total commercial loans                                     | <u>1,144</u>     | <u>1,320</u>     |
| Consumer loans:  |                  |                  |
| Residential mortgage                                       | 1,007            | 1,142            |
| Other consumer   | —                | 4                |
| Total consumer loans                                       | <u>1,007</u>     | <u>1,146</u>     |
| Total past due 90 days and accruing loans                  | <u>2,151</u>     | <u>2,466</u>     |
| Total nonperforming loans                                  | <u>58,538</u>    | <u>28,421</u>    |
| <b>Other real estate owned</b>                             |                  |                  |
| Small business lending                                     | 2,631            | —                |
| Residential mortgage                                       | —                | 272              |
| Total other real estate owned                              | <u>2,631</u>     | <u>272</u>       |
| <b>Other nonperforming assets</b>                          | 186              | 212              |
| <b>Total nonperforming assets</b>                          | <u>\$ 61,355</u> | <u>\$ 28,905</u> |
| Total nonperforming loans to total loans                   | 1.56 %           | 0.68 %           |
| Total nonperforming assets to total assets                 | 1.10 %           | 0.50 %           |
| Allowance for credit losses - loans to total loans         | 1.49 %           | 1.07 %           |
| Nonaccrual loans to total loans                            | 1.50 %           | 0.62 %           |
| Allowance for credit losses - loans to nonaccrual loans    | 98.8 %           | 172.5 %          |
| Allowance for credit losses - loans to nonperforming loans | 95.1 %           | 157.5 %          |

<sup>1</sup> Balances include \$13.6 million and \$4.9 million that are guaranteed by the U.S. government as of December 31, 2025 and December 31, 2024, respectively.

A loan is individually evaluated, when, based on current information or events, it is probable that we will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Payments with delays generally not exceeding 90 days outstanding are not individually evaluated. Certain nonaccrual and substantially all delinquent loans more than 90 days past due may be individually evaluated. Generally, loans are placed on nonaccrual status at 90 days past due and accrued interest is reversed against earnings, unless the loan is well secured and in the process of collection. The

accrual of interest on individually evaluated loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due.

Individually evaluated loans include nonperforming loans and may also include loans where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.

Nonperforming loans are comprised of total nonaccrual loans and loans 90 days past due and accruing. Nonperforming assets include nonperforming loans, other real estate owned ("OREO") and other nonperforming assets, which consist of repossessed assets. Nonperforming assets could also include individual securities for which a credit loss has been recognized; however, we did not own any securities classified as such during the two-year period ended December 31, 2025.

Total nonperforming loans increased \$30.1 million, or 106.0%, to \$58.5 million as of December 31, 2025 compared to \$28.4 million as of December 31, 2024, due primarily to an increase in nonperforming loans in the franchise finance and small business lending portfolios during the year. Total nonperforming assets increased \$32.5 million, or 112.3%, to \$61.4 million as of December 31, 2025, compared to \$28.9 million as of December 31, 2024, due primarily to the aforementioned increase in nonperforming loans and an increase in OREO related to small business lending. As of December 31, 2025, the Company had three small business lending properties in OREO with a carrying value of \$2.6 million. As of December 31, 2024, the Company had one residential mortgage property in OREO with a carrying value of \$0.3 million.

## Allowance for Credit Losses - Loans

The following table provides a rollforward of the ACL on loans by loan portfolio segment for the twelve months ended December 31, 2025 and 2024; however, allocation of a portion of the allowance to one segment does not preclude its availability to absorb losses in other segments.

| <i>(dollars in thousands)</i>                              | <b>December 31,</b> |                  |
|--|---------------------|------------------|
|  | <b>2025</b>         | <b>2024</b>      |
| Balance, beginning of period                               | \$ 44,769           | \$ 38,774        |
| Provision charged to expense                               | 71,921              | 18,815           |
| Losses charged off   |                     |                  |
| Commercial and industrial                                  | (153)               | —                |
| Single tenant lease financing                              | —                   | (195)            |
| Small business lending                                     | (39,650)            | (10,441)         |
| Franchise finance  | (21,754)            | (1,466)          |
| Residential mortgage                                       | (75)                | (159)            |
| Other consumer   | (1,457)             | (1,009)          |
| Total losses charged off                                   | <u>(63,089)</u>     | <u>(13,270)</u>  |
| Recoveries   |                     |                  |
| Commercial and industrial                                  | 21                  | 8                |
| Small business lending                                     | 1,681               | 325              |
| Franchise finance  | 94                  | —                |
| Residential mortgage                                       | 19                  | 1                |
| Home equity  | 7                   | 7                |
| Other consumer   | 263                 | 109              |
| Total recoveries   | <u>2,085</u>        | <u>450</u>       |
| Balance, end of period                                     | <u>\$ 55,686</u>    | <u>\$ 44,769</u> |
| Net charge-offs  | \$ 61,004           | \$ 12,820        |
| Net charge-offs (recoveries) to average loans (annualized) |                     |                  |
| Commercial and industrial                                  | 0.11%               | (0.01%)          |
| Single tenant lease financing                              | — %                 | 0.02 %           |
| Small business lending                                     | 8.16 %              | 3.39 %           |
| Franchise Finance  | 4.48 %              | 0.27 %           |
| Total commercial net charge-offs                           | <u>1.76%</u>        | <u>0.37%</u>     |
| Residential mortgage                                       | 0.02 %              | 0.04 %           |
| Home equity  | (0.04%)             | (0.03%)          |
| Other consumer   | 0.41 %              | 0.28 %           |
| Total consumer net charge-offs                             | <u>0.16 %</u>       | <u>0.13 %</u>    |
| Net charge-offs to average loans                           | <u>1.45 %</u>       | <u>0.32 %</u>    |

The determination of the ACL and the related provision for credit losses are components of our significant accounting policies as discussed within Note 1 to our consolidated financial statements. The adequacy of the ACL and the provision are based on the review and evaluation of the loan portfolio and reflect management's assessment of the risks and potential losses within the portfolio. This evaluation uses a discounted cash flow analysis based on historical loss data, reasonable and supportable forecasts and prepayment rates, as well as qualitative factors such as economic and business conditions, portfolio growth, concentrations of credit in the portfolio, trends in risk grades, delinquencies within the portfolio and changes in our lending policies and practices.

Management actively monitors asset quality and, when appropriate, charges off loans against the ACL. Although management believes it uses the best information available to make determinations with respect to the ACL, future adjustments may be necessary if economic conditions differ substantially from those in the assumptions used to determine the size of the ACL.

The ACL was \$55.7 million as of December 31, 2025, compared to \$44.8 million as of December 31, 2024. The increase in the ACL reflects updated assumptions to the Company's CECL model, including updates that significantly increased the ACL related to small business lending, as well as additional specific reserves related to franchise finance loans that were placed on nonaccrual during the year, partially offset by the removal of specific reserves for small business lending and franchise finance loans that were charged off. Furthermore, the ACL as a percentage of total loans was impacted by lower total loan balances following the sale of the single tenant lease financing loans. The ACL as a percentage of total loans was 1.49% as of December 31, 2025, compared to 1.07% at December 31, 2024. The ACL as a percentage of nonperforming loans decreased to 95.1% as of December 31, 2025, compared to 157.5% as of December 31, 2024, as the increase in nonperforming loans outweighed the increase in the ACL.

The provision for credit losses - loans was \$71.9 million for the twelve months ended December 31, 2025 compared to \$18.8 million for the twelve months ended December 31, 2024. The increase in the provision for credit losses - loans for the twelve months ended December 31, 2025 was driven primarily by the net charge-offs and the increase in the ACL related to small business lending and the additional specific reserves related to franchise finance discussed above, partially offset by the decrease in the ACL resulting from the sale of the single tenant lease financing loans mentioned above and by the decrease in specific reserves related to small business lending and franchise finance loans that were charged off.

### ***Investment Securities Portfolio***

In managing our investment securities portfolio, management focuses on providing an adequate level of liquidity and managing long-term interest rate risk, while earning an adequate level of investment income without taking undue credit risk. Investment securities that are acquired and held principally for the purpose of selling them in the near term with the objective of generating economic profits on short-term differences in market characteristics are classified as "trading securities." We did not classify any securities as trading securities as of December 31, 2025 and 2024. Securities that we intend to hold until maturity are classified as "held-to-maturity" securities, and all other investment securities are classified as "available-for-sale." The carrying values of available-for-sale investment securities are adjusted for unrealized gains or losses as a valuation allowance and any gain or loss is reported on an after-tax basis as a component of other comprehensive (loss) income.

We periodically evaluate each security in an unrealized loss position to determine if there is an impairment. As of December 31, 2025, the unrealized losses in our investment securities portfolio were due primarily to interest rate changes. We have the ability and intent to hold all investment securities in an unrealized loss position resulting from interest rate changes to the earlier of the forecasted recovery or the maturity of the underlying investment security. As of December 31, 2025, and 2024, we did not have any investment securities of a single issuer that exceeded 10% of shareholders' equity. The term "issuer" excludes the U.S. Government and its sponsored agencies and corporations.

The following tables present the amortized cost and approximate fair value of our investment securities portfolio by security type as of the end of the last two years.

| <i>(amounts in thousands)</i>                          | <b>December 31,</b> |                   |
|--|---------------------|-------------------|
|  | <b>2025</b>         | <b>2024</b>       |
| <b>Amortized Cost</b>                                  |                     |                   |
| Securities available-for-sale                          |                     |                   |
| U.S. Government-sponsored agencies                     | \$ 64,298           | \$ 83,811         |
| Municipal securities                                   | 64,777              | 67,441            |
| Agency mortgage-backed securities - residential        | 409,718             | 300,914           |
| Agency mortgage-backed securities - commercial         | 59,112              | 64,214            |
| Private label mortgage-backed securities - residential | 124,264             | 46,623            |
| Asset-backed securities                                | 42,492              | 23,802            |
| Corporate securities                                   | 37,761              | 40,049            |
| Total securities available-for-sale                    | <u>802,422</u>      | <u>626,854</u>    |
| Securities held-to-maturity, net carrying value        |                     |                   |
| Municipal securities                                   | 11,006              | 12,843            |
| Agency mortgage-backed securities - residential        | 213,530             | 201,840           |
| Agency mortgage-backed securities - commercial         | 5,635               | 5,705             |
| Corporate securities                                   | 20,438              | 29,408            |
| Total securities held-to-maturity, net carrying value  | <u>250,609</u>      | <u>249,796</u>    |
| Total securities                                       | <u>\$ 1,053,031</u> | <u>\$ 876,650</u> |

| <i>(amounts in thousands)</i>                          | <b>December 31,</b> |                   |
|--|---------------------|-------------------|
|  | <b>2025</b>         | <b>2024</b>       |
| <b>Approximate Fair Value</b>                          |                     |                   |
| Securities available-for-sale                          |                     |                   |
| U.S. Government-sponsored agencies                     | \$ 63,764           | \$ 82,816         |
| Municipal securities                                   | 63,386              | 63,654            |
| Agency mortgage-backed securities - residential        | 389,457             | 269,641           |
| Agency mortgage-backed securities - commercial         | 58,477              | 63,331            |
| Private label mortgage-backed securities - residential | 123,673             | 45,821            |
| Asset-backed securities                                | 42,553              | 23,821            |
| Corporate securities                                   | 37,377              | 38,271            |
| Total securities available-for-sale                    | <u>778,687</u>      | <u>587,355</u>    |
| Securities held-to-maturity                            |                     |                   |
| Municipal securities                                   | 10,551              | 11,925            |
| Agency mortgage-backed securities - residential        | 203,715             | 184,412           |
| Agency mortgage-backed securities - commercial         | 4,720               | 4,548             |
| Corporate securities                                   | 19,829              | 27,966            |
| Total securities held-to-maturity                      | <u>238,815</u>      | <u>228,851</u>    |
| Total securities                                       | <u>\$ 1,017,502</u> | <u>\$ 816,206</u> |

The approximate fair value of investment securities available-for-sale increased \$191.3 million, or 32.6%, to \$778.7 million as of December 31, 2025 compared to \$587.4 million as of December 31, 2024. The increase was due primarily to increases of \$119.8 million in agency mortgage-backed securities - residential, \$77.9 million in private label mortgage-backed securities - residential and \$18.7 million in asset-backed securities, partially offset by decreases of \$19.1 million in U.S. Government-sponsored agencies securities and \$4.9 million in agency mortgage-backed securities - commercial. The Company deployed liquidity during 2025 primarily into new purchases of available-for-sale variable-rate mortgage-backed and asset-backed securities, which was partially offset by net pay down activity in other security types. As of December 31, 2025, the Company had securities with a net carrying value of \$250.6 million designated as held-to-maturity compared to \$249.8 million as of December 31, 2024. The slight increase was due primarily to purchases of CRA-eligible agency mortgage-backed securities - residential made in the first quarter 2025, which was partially offset by net paydown activity of corporate and municipal securities.

## Investment Maturities

The following table summarizes the contractual maturity schedule (without regard to repricing schedules) of our investment securities at their amortized cost and their weighted average yields at December 31, 2025.

| <i>(dollars in thousands)</i>                          | 1 year or less  |                              | More than 1 year to 5 years |                              | More than 5 years to 10 years |                              | More than 10 years |                              | Total               |                              |
|--|-----------------|------------------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|--------------------|------------------------------|---------------------|------------------------------|
|  | Amortized Cost  | Wtd. Avg. Yield <sup>1</sup> | Amortized Cost              | Wtd. Avg. Yield <sup>1</sup> | Amortized Cost                | Wtd. Avg. Yield <sup>1</sup> | Amortized Cost     | Wtd. Avg. Yield <sup>1</sup> | Amortized Cost      | Wtd. Avg. Yield <sup>1</sup> |
| Securities:  |                 |                              |                             |                              |                               |                              |                    |                              |                     |                              |
| U.S. Government-sponsored agencies                     | \$ 1            | 2.58 %                       | \$ 5,853                    | 5.57 %                       | \$ 17,123                     | 4.77 %                       | \$ 41,322          | 4.81 %                       | \$ 64,299           | 4.87 %                       |
| Municipal securities                                   | 2,270           | 3.02 %                       | 9,443                       | 3.29 %                       | 39,367                        | 2.92 %                       | 24,703             | 2.98 %                       | 75,783              | 2.99 %                       |
| Agency mortgage-backed securities - residential        | —               | — %                          | 518                         | 1.78 %                       | 8,768                         | 1.95 %                       | 613,961            | 3.73 %                       | 623,247             | 3.71 %                       |
| Agency mortgage-backed securities - commercial         | —               | — %                          | 22,703                      | 4.19 %                       | 16,555                        | 4.98 %                       | 25,489             | 3.69 %                       | 64,747              | 4.19 %                       |
| Private-label mortgage-backed securities - residential | —               | — %                          | —                           | — %                          | —                             | — %                          | 124,264            | 5.06 %                       | 124,264             | 5.06 %                       |
| Asset-backed securities                                | —               | — %                          | —                           | — %                          | —                             | — %                          | 42,492             | 5.34 %                       | 42,492              | 5.34 %                       |
| Corporate securities                                   | —               | — %                          | 29,547                      | 5.65 %                       | 28,652                        | 6.00 %                       | —                  | — %                          | 58,199              | 5.82 %                       |
| Total securities                                       | <u>\$ 2,271</u> | <u>3.02 %</u>                | <u>\$ 68,064</u>            | <u>4.80 %</u>                | <u>\$ 110,465</u>             | <u>4.24 %</u>                | <u>\$ 872,231</u>  | <u>4.03 %</u>                | <u>\$ 1,053,031</u> | <u>4.10 %</u>                |

<sup>1</sup> Weighted-average yields are calculated on a fully-taxable equivalent basis using the federal statutory rate of 21% for 2025.

## Accrued Income and Other Assets

Accrued income and other assets increased \$26.1 million, or 41.4%, to \$89.1 million at December 31, 2025 compared to \$63.0 million at December 31, 2024. The increase was due primarily to increases of \$14.5 million in deferred tax assets and \$10.4 million in equity investments.

## Deposits

The following table presents the composition of our deposit base as of the end of the last two years.

| <i>(dollars in thousands)</i>    | December 31,        |                |                     |                |
|----------------------------------|---------------------|----------------|---------------------|----------------|
|                                  | 2025                |                | 2024                |                |
| Noninterest-bearing deposits     | \$ 146,879          | 3.0 %          | \$ 136,451          | 2.8 %          |
| Interest-bearing demand deposits | 1,120,850           | 23.2 %         | 896,661             | 18.2 %         |
| Savings accounts                 | 18,991              | 0.4 %          | 19,823              | 0.4 %          |
| Money market accounts            | 1,272,845           | 26.3 %         | 1,183,789           | 24.0 %         |
| Certificates of deposits         | 2,004,909           | 41.4 %         | 2,133,455           | 43.2 %         |
| Brokered deposits                | 275,339             | 5.7 %          | 563,027             | 11.4 %         |
| Total                            | <u>\$ 4,839,813</u> | <u>100.0 %</u> | <u>\$ 4,933,206</u> | <u>100.0 %</u> |

Total deposits decreased \$93.4 million, or 1.9%, to \$4.8 billion as of December 31, 2025 compared to \$4.9 billion as of December 31, 2024. This decrease was due primarily to decreases of \$287.7 million, or 51.1%, in brokered deposits and \$128.5 million, or 6.0%, in certificates of deposits, partially offset by increases of \$224.2 million, or 25.0%, in interest-bearing demand deposits, \$89.1 million, or 7.5%, in money market accounts and \$10.4 million, or 7.6%, in noninterest-bearing deposits. The Company experienced strong growth in fintech partnership deposits during 2025, driving the increases in interest-bearing demand and noninterest-bearing deposits. The strong growth, combined with liquidity from the sale of the single tenant lease financing loans, provided the ability to pay down maturing higher-cost brokered deposits and certificates of deposit. Additionally, following the sale of the single tenant lease financing loans, the Company moved a significant amount of fintech partnership deposits off-balance sheet in order to manage the size of the balance sheet and improve profitability and balance sheet metrics. As of December 31, 2025, the Company had \$859.9 million of fintech deposits on-balance sheet and \$1.1 billion of deposits off-balance sheet, providing flexibility for future funding and liquidity needs.

Uninsured deposit balances represented 33% of total deposits at December 31, 2025, up from 25% at December 31, 2024. These balances include Indiana-based municipal deposits, which are insured by the Indiana Board for Depositories, as well as larger balance accounts under contractual agreements that only allow withdrawal under certain conditions. After

subtracting these types of deposits, the adjusted uninsured deposit balance drops to 27% as of December 31, 2025, compared to 20% as of December 31, 2024.

The following tables present contractual interest rates paid on time deposits and brokered deposits, their scheduled maturities, and the scheduled maturities for time deposits greater than \$250,000.

### ***Time Deposit Maturities at December 31, 2025***

| <i>(dollars in thousands)</i> | Period to Maturity  |                     |                      |                   | Total               | Percentage of Total Certificate Accounts |
|-------------------------------|---------------------|---------------------|----------------------|-------------------|---------------------|--|
|                               | Less than 1 year    | > 1 year to 2 years | > 2 years to 3 years | More than 3 years |                     |  |
| <b>Interest Rate:</b>         |                     |                     |                      |                   |                     |  |
| <1.00%                        | \$ 36,510           | \$ 34,869           | \$ —                 | \$ —              | \$ 71,379           | 3.3 %                                    |
| 1.00% – 1.99%                 | 8,948               | 226                 | —                    | —                 | 9,174               | 0.4 %                                    |
| 2.00% – 2.99%                 | 810                 | 738                 | —                    | —                 | 1,548               | 0.1 %                                    |
| 3.00% – 3.99%                 | 21,209              | 48,351              | 1,810                | 2,100             | 73,470              | 3.4 %                                    |
| 4.00% – 4.99%                 | 1,188,886           | 128,190             | 106,877              | 212,455           | 1,636,408           | 76.1 %                                   |
| 5.00% – 5.99%                 | 123,118             | 73,378              | 59,491               | 103,359           | 359,346             | 16.7 %                                   |
| Total                         | <u>\$ 1,379,481</u> | <u>\$ 285,752</u>   | <u>\$ 168,178</u>    | <u>\$ 317,914</u> | <u>\$ 2,151,325</u> | <u>100.0 %</u>                           |

### ***Time Deposit Maturities Greater than \$250,000***

| <i>(amounts in thousands)</i> | December 31, 2025 |
|-------------------------------|-------------------|
| <b>Maturity Period:</b>       |                   |
| 3 months or less              | \$ 126,586        |
| Over 3 through 6 months       | 134,091           |
| Over 6 through 12 months      | 131,163           |
| Over 12 months                | 213,415           |
| Total                         | <u>\$ 605,255</u> |

### ***Federal Home Loan Bank Advances***

Although deposits are the primary source of funds for our lending and investment activities and for general business purposes, we may use short-term advances from the Federal Home Loan Bank of Indianapolis (the “FHLB”) to manage liquidity needs and longer-term advances to supplement deposit growth and manage interest rate risk. The following table is a summary of FHLB borrowings for the periods indicated.

| <i>(dollars in thousands)</i>                      | At or For The Twelve Months Ended December 31, |            |
|--|--|------------|
|  | 2025   | 2024       |
| Balance outstanding at end of period               | \$ 249,500                                     | \$ 295,000 |
| Average amount outstanding during period           | 316,638  | 524,143    |
| Maximum outstanding at any month end during period | 557,241  | 614,934    |
| Weighted average interest rate at end of period    | 3.56 %   | 3.39 %     |
| Weighted average interest rate during period       | 3.67 %   | 2.93 %     |

### ***Accrued Expenses and Other Liabilities***

Accrued expenses and other liabilities decreased \$2.6 million, or 14.4%, to \$15.4 million at December 31, 2025, compared to \$17.9 million at December 31, 2024. The decrease was due primarily to decreases of \$3.0 million in accrued salary and benefits and \$1.1 million in other accrued expenses, partially offset by increases of \$1.1 million in unfunded commitments and \$0.4 million in the reserve for unfunded loan commitments

## Liquidity and Capital Resources

Liquidity management is the process used by the Company to manage the continuing flow of funds necessary to meet its financial commitments on a timely basis and at a reasonable cost while also maintaining safe and sound operations. Liquidity, represented by cash and investment securities, is a product of the Company's operating, investing and financing activities. The primary sources of funds are deposits, principal and interest payments on loans and investment securities, maturing loans and investment securities, access to wholesale funding sources and collateralized borrowings. While scheduled payments and maturities of loans and investment securities are relatively predictable sources of funds, deposit flows are greatly influenced by interest rates, general economic conditions and competition. Therefore, the Company may supplement deposit growth and enhance interest rate risk management through borrowings and wholesale funding, which are generally advances from the Federal Home Loan Bank and brokered deposits.

The Company holds cash and investment securities that qualify as liquid assets to maintain adequate liquidity to ensure safe and sound operations and meet its financial commitments. At December 31, 2025, on a consolidated basis, the Company had \$1.2 billion in cash and cash equivalents and investment securities available-for-sale, and \$108.6 million in loans held-for-sale that were generally available for our cash needs. Importantly, the Company also had access to an additional \$1.1 billion in the form of off-balance sheet deposits sold into the IntraFi deposit network. In addition, the Company can generate funds from wholesale funding sources and collateralized borrowings. At December 31, 2025, the Company had the ability to borrow an additional \$1.7 billion from the Federal Home Loan Bank, Federal Reserve and correspondent bank Fed Funds lines of credit.

The Company is a separate legal entity from the Bank and must provide for its own liquidity. In addition to its operating expenses, the Company is responsible for paying any dividends declared to its common shareholders and interest and principal on outstanding debt. The Company's primary sources of funds are cash maintained at the holding company level and dividends from the Bank, the payment of which is subject to regulatory limits. At December 31, 2025, the Company, on an unconsolidated basis, had \$14.5 million in cash generally available for its cash needs, which is in excess of its current annual regular shareholder dividend and operating expenses.

The Company uses its sources of funds primarily to meet ongoing financial commitments, including withdrawals by depositors, credit commitments to borrowers, operating expenses and capital expenditures. At December 31, 2025, approved outstanding loan commitments, including unused lines of credit and standby letters of credit, amounted to \$617.6 million. Certificates of deposits and brokered certificates of deposits scheduled to mature in one year or less at December 31, 2025 totaled \$1.4 billion.

At December 31, 2025, capital ratios for the Company and the Bank were above regulatory requirements for well-capitalized institutions. Refer to "Note 14: Regulatory Capital Requirements" for additional information regarding regulatory capital requirements.

Management is not aware of any other events or regulatory requirements that, if implemented, are likely to have a material effect on either the Company's or the Bank's liquidity.

The following table presents the Company's significant contractual obligations as of December 31, 2025.

| <i>(amounts in thousands)</i>                                       | Note Reference | Payments Due In     |                   |                   |                   | Total              |
|---|----------------|---------------------|-------------------|-------------------|-------------------|--------------------|
|   |                | Less than 1 year    | 1-3 years         | 3-5 years         | More than 5 years |                    |
| Deposits and brokered deposits without stated maturity <sup>1</sup> | 8              | \$ 2,688,488        | \$ —              | \$ —              | \$ —              | \$2,688,488        |
| Certificates of deposits and brokered deposits <sup>1</sup>         | 8              | 1,381,591           | 452,184           | 317,550           | —                 | 2,151,325          |
| FHLB advances <sup>1</sup>  | 9              | 10,000              | 89,500            | —                 | 150,000           | 249,500            |
| Subordinated debt <sup>1</sup>                                      | 10             | —                   | —                 | 107,000           | —                 | 107,000            |
| Total contractual obligations                                       |                | <u>\$ 4,080,079</u> | <u>\$ 541,684</u> | <u>\$ 424,550</u> | <u>\$ 150,000</u> | <u>\$5,196,313</u> |

<sup>1</sup> Amounts do not include associated interest payments.

On December 19, 2022, the Company's Board of Directors approved a stock repurchase program that authorized the repurchase of up to \$25.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization expired on December 31, 2024. Under the program, the Company repurchased 559,522 shares of common stock, at an average price of \$19.06, for a total investment of \$10.7 million.

On October 20, 2025, the Board of Directors of the Company authorized the repurchase of up to \$25.0 million of the Company's outstanding common stock from time to time on the open market or in privately negotiated transactions. Under the program, the Company repurchased 27,998 shares of common stock, at an average price of \$18.64, for a total investment of \$0.5 million as of December 31, 2025. The stock repurchase authorization is scheduled to expire on September 30, 2027.

### ***Reconciliation of Non-GAAP Financial Measures***

This Management's Discussion and Analysis contains financial information determined by methods other than in accordance with GAAP. Non-GAAP financial measures, specifically tangible common equity, tangible assets, tangible book value per common share, tangible common equity to tangible assets, average tangible common equity, return on average tangible common equity, total interest income - FTE, net interest income - FTE, net interest margin - FTE, adjusted total revenue, pre-provision net revenue, adjusted pre-provision net revenue, adjusted noninterest income, adjusted noninterest expense, adjusted (loss) income before income taxes, adjusted income tax (benefit) provision, adjusted net (loss) income, adjusted diluted earnings per share, adjusted return on average assets, adjusted return on average shareholders' equity and adjusted return on average tangible common equity are used by the Company's management to measure the strength of its capital and analyze profitability, including its ability to generate earnings on tangible capital invested by its shareholders. The Company also believes that it is standard practice in the banking industry to present total interest income, net interest income and net interest margin on a fully-taxable equivalent basis, as those measures provide useful information for peer comparisons. Although the Company believes these non-GAAP financial measures provide a greater understanding of its business, they should not be considered a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the following tables for the last three completed fiscal years ended on December 31.

|  | At or For The Twelve Months Ended December 31, |              |              |
|--|--|--------------|--------------|
|  | 2025   | 2024         | 2023         |
| <i>(dollars in thousands, except share and per share data)</i> |  |              |              |
| Total equity - GAAP  | \$ 359,767                                     | \$ 384,063   | \$ 362,795   |
| Adjustments:   |  |              |              |
| Goodwill   | (4,687)  | (4,687)      | (4,687)      |
| Tangible common equity   | \$ 355,080                                     | \$ 379,376   | \$ 358,108   |
| Total assets - GAAP  | \$ 5,571,647                                   | \$ 5,737,859 | \$ 5,167,572 |
| Adjustments:   |  |              |              |
| Goodwill   | (4,687)  | (4,687)      | (4,687)      |
| Tangible assets  | \$ 5,566,960                                   | \$ 5,733,172 | \$ 5,162,885 |
| Total common shares outstanding                                | 8,686,994                                      | 8,667,894    | 8,644,451    |
| Book value per common share                                    | \$ 41.41                                       | \$ 44.31     | \$ 41.97     |
| Effect of goodwill   | (0.54)   | (0.54)       | (0.54)       |
| Tangible book value per common share                           | \$ 40.87                                       | \$ 43.77     | \$ 41.43     |
| Total shareholders' equity to assets                           | 6.46 %   | 6.69 %       | 7.02 %       |
| Effect of goodwill   | (0.08 %)                                       | (0.07 %)     | (0.08 %)     |
| Tangible common equity to tangible assets                      | 6.38 %   | 6.62 %       | 6.94 %       |
| Total average equity - GAAP                                    | \$ 384,432                                     | \$ 377,215   | \$ 357,800   |
| Adjustments:   |  |              |              |
| Average goodwill   | (4,687)  | (4,687)      | (4,687)      |
| Average tangible common equity                                 | \$ 379,745                                     | \$ 372,528   | \$ 353,113   |
| Return on average shareholders' equity                         | (9.15 %)                                       | 6.70 %       | 2.35 %       |
| Effect of goodwill   | (0.11 %)                                       | 0.08 %       | 0.03 %       |
| Return on average tangible common equity                       | (9.26 %)                                       | 6.78 %       | 2.38 %       |
| Total interest income  | \$ 320,157                                     | \$ 291,887   | \$ 239,442   |
| Adjustments:   |  |              |              |
| Fully-taxable equivalent adjustments <sup>1</sup>              | 4,645  | 4,650        | 5,233        |
| Total interest income - FTE                                    | \$ 324,802                                     | \$ 296,537   | \$ 244,675   |
| Net interest income  | \$ 113,760                                     | \$ 87,377    | \$ 74,904    |
| Adjustments:   |  |              |              |
| Fully-taxable equivalent adjustments <sup>1</sup>              | 4,645  | 4,650        | 5,233        |
| Net interest income - FTE                                      | \$ 118,405                                     | \$ 92,027    | \$ 80,137    |
| Net interest margin  | 2.01 %   | 1.65 %       | 1.56 %       |
| Effect of fully-taxable equivalent adjustments <sup>1</sup>    | 0.08 %   | 0.09 %       | 0.11 %       |
| Net interest margin - FTE                                      | 2.09 %   | 1.74 %       | 1.67 %       |

<sup>1</sup>Assuming a 21% tax rate

|  | <b>At or For The Twelve Months Ended December 31,</b> |                   |                   |
|--|---|-------------------|-------------------|
|  | <b>2025</b>   | <b>2024</b>       | <b>2023</b>       |
| <i>(dollars in thousands, except share and per share data)</i> |   |                   |                   |
| Total revenue - GAAP   | \$ 116,472  | \$ 134,722        | \$ 101,029        |
| Adjustments:   |   |                   |                   |
| Loss on sale of loans  | 38,234  | —                 | —                 |
| Mortgage-related revenue                                       | —   | —                 | (65)              |
| Gain on prepayment of FHLB advances                            | —   | (1,829)           | —                 |
| Gain on termination of interest rate swaps                     | —   | (2,904)           | —                 |
| Adjusted total revenue   | <u>\$ 154,706</u>                                     | <u>\$ 129,989</u> | <u>\$ 100,964</u> |
| Net (loss) income - GAAP                                       | \$ (35,168)   | \$ 25,276         | \$ 8,417          |
| Adjustments: <sup>1</sup>                                      |   |                   |                   |
| Provision for credit losses                                    | 72,314  | 17,070            | 16,653            |
| Income tax (benefit) provision                                 | (15,701)  | 2,266             | (3,477)           |
| Pre-provision net revenue                                      | <u>\$ 21,445</u>                                      | <u>\$ 44,612</u>  | <u>\$ 21,593</u>  |
| Pre-provision net revenue                                      | \$ 21,445   | \$ 44,612         | \$ 21,593         |
| Adjustments: <sup>1</sup>                                      |   |                   |                   |
| Loss on sale of loans  | 38,234  | —                 | —                 |
| Mortgage-related revenue                                       | —   | —                 | (65)              |
| IT termination fees  | —   | 357               | —                 |
| Anniversary expenses   | —   | 95                | —                 |
| Gain on prepayment of FHLB advances                            | —   | (1,829)           | —                 |
| Gain on termination of swaps                                   | —   | (2,904)           | —                 |
| Adjusted pre-provision net revenue                             | <u>\$ 59,679</u>                                      | <u>\$ 40,331</u>  | <u>\$ 21,528</u>  |
| Noninterest income - GAAP                                      | \$ 2,712  | \$ 47,345         | \$ 26,125         |
| Adjustments:   |   |                   |                   |
| Loss on sale of loans  | 38,234  | —                 | —                 |
| Mortgage-related revenue                                       | —   | —                 | (65)              |
| Gain on prepayment of FHLB advances                            | —   | (1,829)           | —                 |
| Gain on termination of interest rate swaps                     | —   | (2,904)           | —                 |
| Adjusted noninterest income                                    | <u>\$ 40,946</u>                                      | <u>\$ 42,612</u>  | <u>\$ 26,060</u>  |
| Noninterest expense - GAAP                                     | \$ 95,027   | \$ 90,110         | \$ 79,436         |
| Adjustments:   |   |                   |                   |
| Mortgage-related costs   | —   | —                 | (3,052)           |
| IT termination fees  | —   | (452)             | —                 |
| Anniversary expenses   | —   | (120)             | —                 |
| Adjusted noninterest expense                                   | <u>\$ 95,027</u>                                      | <u>\$ 89,538</u>  | <u>\$ 76,384</u>  |
| Income (loss) before income taxes - GAAP                       | \$ (50,869)   | \$ 27,542         | \$ 4,940          |
| Adjustments: <sup>1</sup>                                      |   |                   |                   |
| Loss on sale of loans  | 38,234  | —                 | —                 |
| Mortgage-related revenue                                       | —   | —                 | (65)              |
| Mortgage-related costs   | —   | —                 | 3,052             |
| Partial charge-off of C&I participation loan                   | —   | —                 | 6,914             |
| IT termination fees  | —   | 452               | —                 |
| Anniversary expenses   | —   | 120               | —                 |
| Gain on prepayment of FHLB advances                            | —   | (1,829)           | —                 |
| Gain on termination of interest rate swaps                     | —   | (2,904)           | —                 |
| Adjusted income before income taxes                            | <u>\$ (12,635)</u>                                    | <u>\$ 23,381</u>  | <u>\$ 14,841</u>  |

<sup>1</sup>Assuming a 21% tax rate

**At or For The Twelve Months Ended December 31,**

(dollars in thousands, except share and per share data)

|  | <b>2025</b>       | <b>2024</b>      | <b>2023</b>       |
|--|-------------------|------------------|-------------------|
| Income tax (benefit) provision - GAAP                  | \$ (15,701)       | \$ 2,266         | \$ (3,477)        |
| Adjustments: <sup>1</sup>                              |                   |                  |                   |
| Loss on sale of loans                                  | 8,785             | —                | —                 |
| Mortgage-related revenue                               | —                 | —                | (14)              |
| Mortgage-related costs                                 | —                 | —                | 641               |
| Partial charge-off of C&I participation loan           | —                 | —                | 1,452             |
| IT termination fees                                    | —                 | 95               | —                 |
| Anniversary expenses                                   | —                 | 25               | —                 |
| Gain on prepayment of FHLB advances                    | —                 | (384)            | —                 |
| Gain on termination of interest rate swaps             | —                 | (610)            | —                 |
| Adjusted income tax (benefit) provision                | <u>\$ (6,916)</u> | <u>\$ 1,392</u>  | <u>\$ (1,398)</u> |
| Net (loss) income - GAAP                               | \$ (35,168)       | \$ 25,276        | \$ 8,417          |
| Adjustments:   |                   |                  |                   |
| Loss on sale of loans                                  | 29,449            | —                | —                 |
| Mortgage-related revenue                               | —                 | —                | (51)              |
| Mortgage-related costs                                 | —                 | —                | 2,411             |
| Partial charge-off of C&I participation loan           | —                 | —                | 5,462             |
| IT termination fees                                    | —                 | 357              | —                 |
| Anniversary expenses                                   | —                 | 95               | —                 |
| Gain on prepayment of FHLB advances                    | —                 | (1,445)          | —                 |
| Gain on termination of interest rate swaps             | —                 | (2,294)          | —                 |
| Adjusted net (loss) income                             | <u>\$ (5,719)</u> | <u>\$ 21,989</u> | <u>\$ 16,239</u>  |
| Diluted average common shares outstanding              | 8,729,970         | 8,765,725        | 8,858,890         |
| Diluted (loss) earnings per share - GAAP               | \$ (4.03)         | \$ 2.88          | \$ 0.95           |
| Adjustments:   |                   |                  |                   |
| Effect of loss on sale of loans                        | 3.37              | —                | —                 |
| Effect of mortgage-related revenue                     | —                 | —                | (0.01)            |
| Effect of mortgage-related costs                       | —                 | —                | 0.27              |
| Effect of partial charge-off of C&I participation loan | —                 | —                | 0.62              |
| Effect of IT termination fees                          | —                 | 0.04             | —                 |
| Effect of anniversary expenses                         | —                 | 0.01             | —                 |
| Effect of gain on prepayment of FHLB advances          | —                 | (0.16)           | —                 |
| Effect of gain on termination of interest rate swaps   | —                 | (0.26)           | —                 |
| Adjusted diluted (loss) earnings per share             | <u>\$ (0.66)</u>  | <u>\$ 2.51</u>   | <u>\$ 1.83</u>    |
| Return on average assets                               | (0.60 %)          | 0.46 %           | 0.17 %            |
| Effect of loss on sale of loans                        | 0.50 %            | 0.00 %           | 0.00 %            |
| Effect of mortgage-related revenue                     | 0.00 %            | 0.00 %           | 0.00 %            |
| Effect of mortgage-related costs                       | 0.00 %            | 0.00 %           | 0.05 %            |
| Effect of partial charge-off of C&I participation loan | 0.00 %            | 0.00 %           | 0.11 %            |
| Effect of IT termination fees                          | 0.00 %            | 0.01 %           | 0.00 %            |
| Effect of gain on prepayment of FHLB advances          | 0.00 %            | (0.03 %)         | 0.00 %            |
| Effect of gain on termination of interest rate swaps   | 0.00 %            | (0.04 %)         | 0.00 %            |
| Adjusted return on average assets                      | <u>(0.10 %)</u>   | <u>0.40 %</u>    | <u>0.33 %</u>     |

<sup>1</sup>Assuming a 21% tax rate

**At or For The Twelve Months Ended December 31,**

*(dollars in thousands, except share and per share data)*

|  | <b>2025</b>     | <b>2024</b>   | <b>2023</b>   |
|--|-----------------|---------------|---------------|
| Return on average shareholders' equity                 | (9.15 %)        | 6.70 %        | 2.35 %        |
| Effect of loss on sale of loans                        | 7.66 %          | 0.00 %        | 0.00 %        |
| Effect of mortgage-related revenue                     | 0.00 %          | 0.00 %        | (0.01 %)      |
| Effect of mortgage-related costs                       | 0.00 %          | 0.00 %        | 0.67 %        |
| Effect of partial charge-off of C&I participation loan | 0.00 %          | 0.00 %        | 1.53 %        |
| Effect of IT termination fees                          | 0.00 %          | 0.09 %        | 0.00 %        |
| Effect of anniversary expenses                         | 0.00 %          | 0.03 %        | 0.00 %        |
| Effect of gain on prepayment of FHLB advances          | 0.00 %          | (0.38 %)      | 0.00 %        |
| Effect of gain on termination of interest rate swaps   | 0.00 %          | (0.61 %)      | 0.00 %        |
| Adjusted return on average shareholders' equity        | <u>(1.49 %)</u> | <u>5.83 %</u> | <u>4.54 %</u> |
| Return on average tangible common equity               | (9.26 %)        | 6.78 %        | 2.38 %        |
| Effect of loss on sale of loans                        | 7.75 %          | 0.00 %        | 0.00 %        |
| Effect of mortgage-related revenue                     | 0.00 %          | 0.00 %        | (0.01 %)      |
| Effect of mortgage-related costs                       | 0.00 %          | 0.00 %        | 0.68 %        |
| Effect of partial charge-off of C&I participation loan | 0.00 %          | 0.00 %        | 1.55 %        |
| Effect of IT termination fees                          | 0.00 %          | 0.10 %        | 0.00 %        |
| Effect of anniversary expenses                         | 0.00 %          | 0.03 %        | 0.00 %        |
| Effect of gain on prepayment of FHLB advances          | 0.00 %          | (0.39 %)      | 0.00 %        |
| Effect of gain on termination of interest rate swaps   | 0.00 %          | (0.62 %)      | 0.00 %        |
| Adjusted return on average tangible common equity      | <u>(1.51 %)</u> | <u>5.90 %</u> | <u>4.60 %</u> |

## ***Critical Accounting Policies and Estimates***

### *ACL - Loans*

Management considers the policies related to the ACL- loans to be critical to the financial statement presentation. The total allowance for credit losses on loans includes activity related to allowances calculated in accordance with Accounting Standards Codification (“ASC”) 326, Financial Instruments - Credit Losses. The ACL for loans represents management's estimate of all expected credit losses over the expected life of the Company's existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. When the Company is unable to forecast future economic events, management may revert to historical information.

Accrued interest receivable on loans is excluded from the estimate of credit losses. The Company made the accounting policy election to not measure an ACL for accrued interest receivable. Accrued interest deemed uncollectible will be written off through interest income.

### *ACL - Loans - Collectively Evaluated*

The ACL is measured on a collective pool basis when similar risk characteristics exist.

The Company utilized a discounted cash flow (“DCF”) method to estimate the quantitative portion of the allowance for credit losses for loans evaluated on a collective pooled basis. For each segment, a loss driver analysis was performed in order to identify loss drivers and create a regression model for use in forecasting cash flows.

In creating the DCF model, the Company has established a one-year reasonable and supportable forecast period with a one-year straight line reversion to the long-term historical average for most segments. Due to its limited loss history, the Company elected to use peer data for a more reasonable calculation.

Key inputs into the DCF model include loan-level detail, including the amortized cost basis of individual loans, payment structure, loss history, and forecasted loss drivers. The Company utilizes a third party to provide economic forecasts under various scenarios, which are assessed quarterly considering the scenarios in the context of the current economic environment and loss risk.

Expected credit losses are estimated over the contractual term of the loans and adjusted for prepayments when appropriate. The contractual term excludes extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

Additional key assumptions in the DCF model include the probability of default (“PD”), loss given default (“LGD”), and prepayment/curtailment rates. The Company utilizes the model-driven PD and a LGD derived from a method referred to as Frye Jacobs. The Frye Jacobs method is a mathematical formula that traces the relationship between LGD and PD over time and projects the LGD based on the level of PD forecasted. In all cases, the Frye Jacobs method is utilized to calculate LGDs during the forecast period, reversion period and long-term historical average. Prepayment and curtailment rates were calculated through third party analysis of the Company's own data.

Qualitative factors for the DCF and weighted-average remaining maturity methodologies include the following:

- Changes in lending policies and procedures, including changes in underwriting standards and collections, charge-offs and recovery practices
- Changes in international, national, regional and local conditions
- Changes in the nature and volume of the portfolio and terms of loans
- Changes in the experience, depth and ability of lending management
- Changes in the volume and severity of past due loans and other similar conditions
- Changes in the quality of the organization's loan review system
- Changes in the value of underlying collateral for collateral dependent loans
- The existence and effect of any concentrations of credit and changes in the levels of such concentrations

- The effect of other external factors (i.e. competition, legal and regulatory requirements) on the level of estimated credit losses

#### *ACL - Loans - Individually Evaluated*

Loans that do not share risk characteristics are evaluated on an individual basis and are excluded from the collective evaluation. The Company has determined that any loans which have been placed on nonaccrual status will be individually evaluated. Individual analysis will establish a specific reserve for loans, if necessary. Specific reserves on nonaccrual loans are typically based on management's best estimate of the fair value of collateral securing these loans, adjusted for selling costs as necessary.

#### *ACL - Off-Balance Sheet Credit Exposures*

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance on off-balance sheet credit exposure is recorded as a liability and adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. Funding rates are based on a historical analysis of the Company's portfolio, while estimates of credit losses are determined using the same loss rates as funded loans.

#### ***Recent Accounting Pronouncements***

Refer to Note 23 to our consolidated financial statements.

#### ***Off-Balance Sheet Arrangements***

In the ordinary course of business, we may enter into financial transactions to extend credit, engage in interest rate swaps or other forms of commitments that may be considered off-balance sheet arrangements. Interest rate swaps were arranged to receive hedge accounting treatment and were classified as either fair value or cash flow hedges. Fair value hedges were purchased to convert certain fixed rate assets to floating rate. Cash flow hedges were used to convert certain variable rate liabilities into fixed rate liabilities. At December 31, 2025 and 2024, we had no interest rate swaps that were classified as either fair value or cash flow hedges. Refer to Note 18 to our consolidated financial statements for additional information about derivative financial instruments.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to changes in interest rates, foreign exchange rates and equity prices. The primary source of market risk for the Company is interest rate risk, which can be defined as the risk to earnings and the value of our equity resulting from changes in market interest rates. Interest rate risk arises in the normal course of business to the extent that there are timing and volume differences between the amount of interest-earning assets and the amount of interest-bearing liabilities that are prepaid, withdrawn, re-priced or mature in specified periods. We seek to achieve consistent growth in net interest income and equity while managing volatility arising from shifts in market interest rates.

We monitor the Company’s interest rate risk position using income simulation models and economic value of equity (“EVE”) sensitivity analysis that capture both short-term and long-term interest rate risk exposure. Income simulation involves forecasting net interest income (“NII”) under a variety of interest rate scenarios. We use EVE sensitivity analysis to understand the impact of changes in interest rates on long-term cash flows, income and capital. EVE is calculated by discounting the cash flows for all balance sheet instruments under different interest-rate scenarios. Modeling the sensitivity of NII and EVE to changes in market interest rates is highly dependent on the assumptions incorporated into the modeling process, especially those pertaining to non-maturity deposit accounts. These assumptions are reviewed and refined on an ongoing basis by the Company. We continually model our NII and EVE positions with various interest rate scenarios and assumptions of future balance sheet composition. We utilize implied forward rates as its base case scenario which reflects market expectations for rate changes over the next 24 months. Presented below is the estimated impact on our NII and EVE position as of December 31, 2025, assuming a static balance sheet and instantaneous parallel shifts in interest rates:

| <b>% Change from Base Case for Instantaneous Parallel Changes in Rates</b> |  |  |                                   |   |  |
|--|--|--|-----------------------------------|---|--|
|  | <b>Implied Forward Curve -200 Basis Points</b> | <b>Implied Forward Curve -100 Basis Points</b> | <b>Base Implied Forward Curve</b> | <b>Implied Forward Curve +50 Basis Points</b> | <b>Implied Forward Curve +100 Basis Points</b> |
| NII - Year 1   | 4.75 %   | 2.73 %   | N/A                               | (2.16 %)                                      | (4.32 %)                                       |
| NII - Year 2   | 3.16 %   | 5.05 %   | 3.57 %                            | 1.88 %  | (0.36 %)                                       |
| EVE  | 6.20 %   | 5.71 %   | N/A                               | (4.60 %)                                      | (9.70 %)                                       |

To supplement the instantaneous rate shocks required by regulatory guidance, we also calculate our interest rate risk position assuming a gradual change in market interest rates. This gradual change is commonly referred to as a “rate ramp” and evenly allocates a change in interest rates over a specified time period.

Presented below is the estimated impact on our NII and EVE position as of December 31, 2025, assuming a static balance sheet and gradual parallel shifts in interest rates over a twelve-month period:

| <b>% Change from Base Case for Gradual Changes in Rates</b> |  |  |                                   |   |  |
|---|--|--|-----------------------------------|---|--|
|   | <b>Implied Forward Curve -200 Basis Points</b> | <b>Implied Forward Curve -100 Basis Points</b> | <b>Base Implied Forward Curve</b> | <b>Implied Forward Curve +50 Basis Points</b> | <b>Implied Forward Curve +100 Basis Points</b> |
| NII - Year 1  | 1.77 %   | 0.78 %   | N/A                               | (1.32 %)                                      | (2.25 %)                                       |
| NII - Year 2  | 5.56 %   | 5.38 %   | 3.57 %                            | 1.73 %  | (0.38 %)                                       |
| EVE   | 5.43 %   | 5.34 %   | N/A                               | (4.18 %)                                      | (8.87 %)                                       |

The NII and EVE figures presented in both tables above are reflective of a static balance sheet, and do not incorporate either balance sheet growth or strategies to increase net interest income while managing volatility arising from shifts in market interest rates. As such, it is likely that actual results will differ from what is presented in the tables above. Balance sheet strategies to achieve such objective may include:

- Increasing the proportion of low-duration or variable-rate loans to total loans, including organic growth in SBA, construction or C&I lending
- Selling longer-term fixed rate loans
- Increasing the proportion of lower cost non-maturity deposits to total deposits
- Extending the duration of wholesale funding
- Executing derivative strategies to synthetically extend liability or shorten asset duration
- Repositioning the investment portfolio to manage its duration

**Item 8. Financial Statements and Supplementary Data**

The consolidated financial statements and notes thereto required pursuant to this Item begin on page F-1 of this Annual Report on Form 10-K.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

The Company maintains disclosure controls and procedures that are designed to ensure that information the Company is required to disclose in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in SEC rules and forms. These controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating disclosure controls and procedures, the Company has recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Management is required to apply judgment in evaluating its controls and procedures.

The Company performed an evaluation under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, to assess the effectiveness of the design and operation of our disclosure controls and procedures under the Exchange Act. Based on that evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2025.

***Report of Management's Assessment of Internal Control Over Financial Reporting***

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, including accounting and other internal control systems that, in the opinion of management, provide reasonable assurance that (1) transactions are properly authorized, (2) the assets are properly safeguarded, and (3) transactions are properly recorded and reported to permit the preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States. The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on that assessment, management concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective based on those criteria. The Company's internal control over financial reporting

as of December 31, 2025 has been audited by Forvis Mazars, LLP, an independent registered public accounting firm, as stated in its report appearing on page F-2.

***Changes in Internal Control Over Financial Reporting***

There has been no change in the Company's internal control over financial reporting during the quarter ended December 31, 2025, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information**

None of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Securities Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the fiscal quarter ended December 31, 2025.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not Applicable.

## PART III

Certain information required by Part III is incorporated by reference from our definitive Proxy Statement for our 2026 Annual Meeting of Shareholders (the “Proxy Statement”), which we intend to file with the SEC pursuant to Regulation 14A within 120 days after December 31, 2025. Except for those portions specifically incorporated by reference from our Proxy Statement, no other portions of the Proxy Statement are deemed to be filed as part of this report.

### Item 10. Directors, Executive Officers and Corporate Governance

#### *Information about our Executive Officers*

Our executive officers are as follows:

| <b>Name</b>      | <b>Age</b> | <b>Position</b>                                      |
|------------------|------------|--|
| David B. Becker  | 72         | Chairman, Chief Executive Officer and Director       |
| Nicole S. Lorch  | 51         | President, Chief Operating Officer and Secretary     |
| Kenneth J. Lovik | 56         | Executive Vice President and Chief Financial Officer |

*David B. Becker* has served as our Chairman of the Board since 2006, as our Chief Executive Officer since 2007, and as our President from 2007 to June 2021. Mr. Becker is the founder of the Bank and has served as an officer and director of the Bank since 1998.

*Nicole S. Lorch* has served as Secretary since June of 2022 and as President and Chief Operating Officer since June 2021. Previously, she served as Executive Vice President and Chief Operating Officer since January 2017. Ms. Lorch joined the Company as Director of Marketing in 1999 and served as Vice President, Marketing & Technology from 2003 to 2011 and Senior Vice President, Retail Banking from 2011 to January 2017. She previously served as Director of Marketing at Virtual Financial Services, an online banking services provider, from 1996 to 1999.

*Kenneth J. Lovik* has served as Executive Vice President and Chief Financial Officer of the Company since January 2017. Mr. Lovik joined the Company in August 2014 as Senior Vice President and Chief Financial Officer. Previously, he served as Senior Vice President, Investor Relations and Corporate Development, at First Financial Bancorp, a publicly traded bank holding company headquartered in Cincinnati, Ohio, from February 2013 to May 2014. Prior to that, he served as its Vice President, Investor Relations and Corporate Development, from 2010 to February 2013. Before First Financial Bancorp, he was an investment banker at Milestone Advisors LLC, Howe Barnes Hoefler & Arnett, Inc. and A.G. Edwards & Sons, Inc.

Executive officers are elected annually by our Board of Directors and serve a one-year term or until their successors are elected. None of the above-identified executive officers are related to each other or to any of our directors.

#### *Code of Business Conduct and Ethics*

We have adopted a code of business conduct and ethics that applies to all of our directors and officers and other employees, including our principal executive officer and principal financial officer. This code is publicly available through the Corporate Governance section of our website at [www.firstinternetbancorp.com](http://www.firstinternetbancorp.com). To the extent permissible under applicable law, the rules of the SEC or Nasdaq listing standards, we intend to post on our website any amendment to the code of business conduct and ethics, or any grant of a waiver from a provision of the code of business conduct and ethics, that requires disclosure under applicable law, the rules of the SEC or Nasdaq listing standards.

#### *Insider Trading Policy*

We have adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of the Company's securities by directors, officers and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company. A copy of the Company's Trading Policy has been filed as Exhibit 19 to this Annual Report on Form 10-K.

The disclosures in the Proxy Statement under the headings “Proposal 1 - Election of Directors,” “Corporate Governance,” “Shareholder Proposals for 2025 Annual Meeting,” and, if applicable “Delinquent Section 16(a) Reports” are incorporated into this Item by reference.

**Item 11. Executive Compensation**

Incorporated into this Item by reference is the information in the Proxy Statement regarding the compensation of our named executive officers appearing under the heading “Executive Compensation” (excluding information under the caption “Pay versus Performance”), the information regarding compensation committee interlocks and insider participation under the heading “Corporate Governance” and the information regarding compensation of non-employee directors under the heading “Director Compensation.”

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

Incorporated into this Item by reference is the information in the Proxy Statement appearing under the headings “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information.”

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

Incorporated into this Item by reference is the information in the Proxy Statement regarding director independence and related person transactions under the heading “Corporate Governance.”

**Item 14. Principal Accountant Fees and Services**

Incorporated into this Item by reference is the information in the Proxy Statement under the heading “Audit Matters.” The independent registered public accounting firm is Forvis Mazars, LLP (Public Company Accounting Oversight Board Firm ID No. 686) located in Indianapolis, Indiana.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

(a) Documents Filed as Part of this Annual Report on Form 10-K:

1. See our financial statements beginning on page F-1.

(b) Exhibits:

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 3.1                | Amended and Restated Articles of Incorporation of First Internet Bancorp (incorporated by reference to Exhibit 3.1 to current report on Form 8-K filed May 21, 2020)  |
| 3.2                | Amended and Restated Bylaws of First Internet Bancorp (incorporated by reference to Exhibit 3.2 to current report on Form 8-K filed May 21, 2020)   |
| 4.1                | Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934  |
| 4.2                | Subordinated Indenture, dated as of September 30, 2016, between First Internet Bancorp and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to current report on Form 8-K filed on September 30, 2016)  |
| 4.3                | Second Supplemental Indenture, dated as of June 12, 2019, between First Internet Bancorp and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to current report on Form 8-K filed on June 12, 2019)   |
| 4.4                | Third Supplemental Indenture, dated as of October 26, 2020, between First Internet Bancorp and U.S. Bank National Association, as trustee (including form of 6.0% Fixed-to-Floating Rate Subordinated Notes due 2030) (incorporated by reference to Exhibit 4.2 to current report on Form 8-K filed October 26, 2020) |
| 4.5                | Fourth Supplemental Indenture, dated as of August 16, 2021, between First Internet Bancorp and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to current report on Form 8-K filed August 16, 2021)  |
| 4.6                | Form of Global Note representing 6.0% Subordinated Notes due 2026 (incorporated by reference to Exhibit A included in Exhibit 4.2 to current report on Form 8-K filed on September 30, 2016)  |
| 4.7                | Form of 3.75% Fixed-to-Floating Rate Subordinated Note due September 1, 2031 (incorporated by reference to Exhibit A-1 and Exhibit A-2 included in Exhibit 4.2 to current report on Form 8-K filed on August 16, 2021)  |
| 10.1               | First Internet Bancorp 2011 Directors' Deferred Stock Plan (incorporated by reference to Exhibit 10.2 to registration statement on Form 10 filed November 30, 2012)*  |
| 10.2               | Amended and Restated Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and David B. Becker dated March 28, 2013 (incorporated by reference to Exhibit 10.4 to Annual Report on Form 10-K for the year ended December 31, 2012)*   |

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 10.3               | Amendment to Amended and Restated Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and David B. Becker dated April 20, 2022 (incorporated by reference to Exhibit 10.1 to current report on Form 8-K filed April 25, 2022)*   |
| 10.4               | Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and Nicole S. Lorch dated April 20, 2022 (incorporated by reference to Exhibit 10.2 to current report on Form 8-K filed April 25, 2022)*   |
| 10.5               | Employment Agreement among First Internet Bank of Indiana, First Internet Bancorp and Kenneth J. Lovik dated April 20, 2022 (incorporated by reference to Exhibit 10.3 to current report on Form 8-K filed April 25, 2022)*  |
| 10.6               | First Internet Bancorp Annual Bonus Plan (incorporated by reference to Exhibit 10.1 to quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2017)*   |
| 10.7               | Form of Subordinated Note Purchase Agreement, dated as of October 26, 2020, between First Internet Bancorp and the purchaser thereunder (incorporated by reference to Exhibit 10.1 to current report on Form 8-K filed October 26, 2020)   |
| 10.8               | Form of Subordinated Note Purchase Agreement, dated August 16, 2021, by and among First Internet Bancorp and the Purchasers* (incorporated by reference to Exhibit 10.1 to current report on Form 8-K filed August 15, 2021)   |
| 10.9               | First Internet Bancorp 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to current report on Form 8-K filed May 17, 2022)*  |
| 10.10              | Form of Non-Employee Director Restricted Stock Award Agreement under 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2023)*   |
| 10.11              | Form of Management Incentive Award Agreement - Restricted Stock Units under 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2023)*   |
| 19                 | Insider Trading Policy (incorporated by reference to Exhibit 19 to Annual Report on Form 10-K for the year ended December 31, 2024)  |
| 21.1               | List of Subsidiaries (incorporated by reference to Exhibit 21.1 to Annual Report on Form 10-K for the year ended December 31, 2024)  |
| 23.1               | Consent of Independent Registered Public Accounting Firm   |
| 24.1               | Powers of Attorney   |
| 31.1               | Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer  |
| 31.2               | Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer  |
| 32.1               | Section 1350 Certifications  |
| 97                 | Compensation Recoupment Policy (incorporated by reference to Exhibit 97 to Annual Report on Form 10-K for the year ended December 31, 2023)  |
| 101                | Financial statements from the Annual Report on Form 10-K of First Internet Bancorp for the period ended December 31, 2025, filed with the SEC on March 11, 2026, formatted in inline extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets at December 31, 2025 and 2024, (ii) the Consolidated Statements of Operations for the fiscal years ended December 31, 2025, 2024, and 2023, (iii) the Consolidated Statements of Comprehensive (Loss) Income for the fiscal years ended December 31, 2025, 2024, and 2023, (iv) the Consolidated Statements of Shareholders' Equity for the fiscal years ended December 31, 2025, 2024, and 2023, (v) Consolidated Statements of Cash Flows for the fiscal years ended December 31, 2025, 2024, and 2023, and (vi) Notes to Consolidated Financial Statements. |
| 104                | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)   |

\*Management contract, compensatory plan or arrangement required to be filed as an exhibit.

**Item 16. Form 10-K Summary.**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 11, 2026.

FIRST INTERNET BANCORP

By: /s/ David B. Becker

David B. Becker,  
*Chairman and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 11, 2026.

/s/ David B. Becker

David B. Becker,  
*Chairman and Chief Executive Officer*  
*(Principal Executive Officer)*

/s/ Kenneth J. Lovik

Kenneth J. Lovik,  
*Executive Vice President and*  
*Chief Financial Officer*  
*(Principal Financial Officer and Principal Accounting Officer)*

\*

Aasif M. Bade, Director

\*

Joseph A. Fenech, Director

\*

Justin P. Christian, Director

\*

Jean L. Wojtowicz, Director

\*

Ann Colussi Dee, Director

\*

John K. Keach, Jr., Director

\*

Michele L. Raines, Director

\* David B. Becker, by signing his name hereto, does hereby sign this document on behalf of each of the above-named directors of the Registrant pursuant to powers of attorney duly executed by such persons.

By: /s/ David B. Becker

David B. Becker,  
*Attorney-in-Fact*

## Reports of Independent Registered Public Accounting Firm

To the Shareholders, Board of Directors and Audit Committee  
First Internet Bancorp  
Fishers, Indiana

### ***Opinion on the Consolidated Financial Statements***

We have audited the accompanying consolidated balance sheets of First Internet Bancorp (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive (loss) income, shareholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2026, expressed an unqualified opinion thereon.

### ***Change in Accounting Principle***

As discussed in Note 1 and Note 4 to the consolidated financial statements, in 2023, the Company changed its method of accounting for credit losses on financial instruments due to the adoption of Accounting Standards Codification Topic 326: *Financial Instruments – Credit Losses*. Our opinion is not modified with respect to this matter.

### ***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### ***Critical Audit Matter***

The critical audit matters communicated below is a matter arising from the current-period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

## *Allowance for Credit Losses on Loans – Qualitative Adjustment*

### *Critical Audit Matter Description*

As described in Note 4 to the consolidated financial statements, the Company's consolidated allowance for credit losses (ACL) was \$55,686,000 at December 31, 2025. The Company also describes in Note 1 of the consolidated financial statements the "Allowance for Credit Losses" accounting policy around this estimate. The ACL for loans represents management's estimate of all expected credit losses over the expected life of the Company's existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. The Company includes qualitative adjustments to the ACL based on factors and considerations that have not otherwise been fully accounted for.

We have identified auditing the qualitative adjustments as a critical audit matter as management's determination of the qualitative adjustments used in the ACL is subjective and involves significant management judgments. Our audit procedures related to the qualitative adjustments involved a high degree of auditor judgment to determine the relevance and reliability of data used in the development of the qualitative framework utilized.

The primary procedures we performed to address this critical audit matter included:

- We obtained an understanding of the Company's model and process for determining the allowance for credit losses, evaluated the design and implementation, and tested operating effectiveness of controls related to this estimate applied within the qualitative framework.
- We evaluated management's methodology for developing the qualitative factor adjustments, including the completeness and accuracy of the data utilized in the development of such adjustments.
- Our evaluation focused on the qualitative factor framework as a whole, including how management's judgments collectively influence the allowance and adjust the quantitative model outputs. We assessed whether the combined effect of these judgments was reasonable, internally consistent, and supported by relevant data and governance processes.

/s/ Forvis Mazars, LLP

We have served as the Company's auditor since 2004.

Indianapolis, Indiana  
March 11, 2026

## Reports of Independent Registered Public Accounting Firm

To the Shareholders, Board of Directors, and Audit Committee  
First Internet Bancorp  
Fishers, Indiana

### ***Opinion on the Internal Control Over Financial Reporting***

We have audited First Internet Bancorp’s (the “Company”) internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and our report dated March 11, 2026, expressed an unqualified opinion on those financial statements.

### ***Basis for Opinion***

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management’s Assessment of Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### ***Definitions and Limitations of Internal Control Over Financial Reporting***

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Forvis Mazars, LLP

Indianapolis, Indiana  
March 11, 2026

**First Internet Bancorp**  
**Consolidated Balance Sheets**  
(Amounts in thousands except share data)

|  | <b>December 31,</b> |                     |
|--|---------------------|---------------------|
|  | <b>2025</b>         | <b>2024</b>         |
| <b>Assets</b>  |                     |                     |
| Cash and due from banks  | \$ 6,145            | \$ 9,249            |
| Interest-bearing demand deposits   | 450,632             | 457,161             |
| Total cash and cash equivalents  | 456,777             | 466,410             |
| Securities available-for-sale - at fair value (amortized cost of \$802,422 and \$626,854 in 2025 and 2024, respectively)   | 778,687             | 587,355             |
| Securities held-to-maturity - at amortized cost, net of allowance for credit losses of \$0.1 million and \$0.2 million in 2025 and 2024, respectively (fair value of \$238,815 and \$228,851 in 2025 and 2024, respectively) | 250,609             | 249,796             |
| Loans held-for-sale  | 108,608             | 54,695              |
| Loans  | 3,746,728           | 4,170,646           |
| Allowance for credit losses - loans  | (55,686)            | (44,769)            |
| Net loans  | 3,691,042           | 4,125,877           |
| Accrued interest receivable  | 27,909              | 28,180              |
| Federal Home Loan Bank of Indianapolis stock   | 28,350              | 28,350              |
| Cash surrender value of bank-owned life insurance  | 42,559              | 41,394              |
| Premises and equipment, net  | 67,934              | 71,453              |
| Goodwill   | 4,687               | 4,687               |
| Servicing asset, at fair value   | 22,793              | 16,389              |
| Other real estate owned  | 2,631               | 272                 |
| Accrued income and other assets  | 89,061              | 63,001              |
| Total assets   | <u>\$ 5,571,647</u> | <u>\$ 5,737,859</u> |
| <b>Liabilities and shareholders' equity</b>  |                     |                     |
| <b>Liabilities</b>   |                     |                     |
| Noninterest-bearing deposits   | \$ 146,879          | \$ 136,451          |
| Interest-bearing deposits  | 4,692,934           | 4,796,755           |
| Total deposits   | 4,839,813           | 4,933,206           |
| Advances from Federal Home Loan Bank   | 249,500             | 295,000             |
| Subordinated debt, net of unamortized discount and debt issuance costs of \$1,535 and \$1,850 in 2025 and 2024, respectively   | 105,465             | 105,150             |
| Accrued interest payable   | 1,744               | 2,495               |
| Accrued expenses and other liabilities   | 15,358              | 17,945              |
| Total liabilities  | <u>5,211,880</u>    | <u>5,353,796</u>    |
| <b>Commitments and contingencies</b>   |                     |                     |
| <b>Shareholders' equity</b>  |                     |                     |
| Preferred stock, no par value; 4,913,779 shares authorized; issued and outstanding - none  | —                   | —                   |
| Voting common stock, no par value; 45,000,000 shares authorized; 8,686,994 and 8,667,894 shares issued and outstanding in 2025 and 2024, respectively  | 186,577             | 186,094             |
| Nonvoting common stock, no par value; 86,221 shares authorized; issued and outstanding - none  | —                   | —                   |
| Retained earnings  | 193,320             | 230,622             |
| Accumulated other comprehensive loss, net of tax   | (20,130)            | (32,653)            |
| Total shareholders' equity   | <u>359,767</u>      | <u>384,063</u>      |
| Total liabilities and shareholders' equity   | <u>\$ 5,571,647</u> | <u>\$ 5,737,859</u> |

*See Notes to Consolidated Financial Statements*

**First Internet Bancorp**  
**Consolidated Statements of Operations**  
(Amounts in thousands except share and per share data)

|   | Year Ended December 31, |                  |                 |
|---|-------------------------|------------------|-----------------|
|   | 2025                    | 2024             | 2023            |
| <b>Interest income</b>  |                         |                  |                 |
| Loans   | \$ 259,840              | \$ 233,844       | \$ 192,337      |
| Securities – taxable  | 34,950                  | 26,742           | 17,189          |
| Securities – non-taxable  | 2,618                   | 3,775            | 3,532           |
| Other earning assets  | 22,749                  | 27,526           | 26,384          |
| Total interest income   | <u>320,157</u>          | <u>291,887</u>   | <u>239,442</u>  |
| <b>Interest expense</b>   |                         |                  |                 |
| Deposits  | 188,390                 | 183,150          | 143,363         |
| Other borrowed funds  | 18,007                  | 21,360           | 21,175          |
| Total interest expense  | <u>206,397</u>          | <u>204,510</u>   | <u>164,538</u>  |
| <b>Net interest income</b>  | 113,760                 | 87,377           | 74,904          |
| Provision for credit losses - loans                                   | 71,921                  | 18,815           | 15,454          |
| Benefit for credit losses - debt securities held-to-maturity          | (53)                    | (139)            | (42)            |
| Provision (benefit) for credit losses - off-balance sheet commitments | 446                     | (1,606)          | 1,241           |
| <b>Net interest income after provision for credit losses</b>          | <u>41,446</u>           | <u>70,307</u>    | <u>58,251</u>   |
| <b>Noninterest income</b>   |                         |                  |                 |
| Service charges and fees  | 1,366                   | 959              | 851             |
| Loan servicing revenue  | 8,730                   | 6,188            | 3,833           |
| Loan servicing asset revaluation                                      | (5,466)                 | (2,537)          | (1,463)         |
| Mortgage banking activities   | —                       | —                | 76              |
| (Loss) gain on sale of loans  | (8,313)                 | 33,329           | 20,526          |
| Other   | 6,395                   | 9,406            | 2,302           |
| Total noninterest income  | <u>2,712</u>            | <u>47,345</u>    | <u>26,125</u>   |
| <b>Noninterest expense</b>  |                         |                  |                 |
| Salaries and employee benefits  | 51,026                  | 51,756           | 45,322          |
| Marketing, advertising and promotion                                  | 2,475                   | 2,589            | 2,567           |
| Consulting and professional fees                                      | 4,327                   | 3,744            | 3,082           |
| Data processing   | 2,654                   | 2,448            | 2,373           |
| Loan expenses   | 6,714                   | 5,947            | 5,756           |
| Premises and equipment  | 13,673                  | 11,902           | 10,599          |
| Deposit insurance premium   | 6,109                   | 5,000            | 3,880           |
| Other   | 8,049                   | 6,724            | 5,857           |
| Total noninterest expense   | <u>95,027</u>           | <u>90,110</u>    | <u>79,436</u>   |
| <b>(Loss) Income Before Income Taxes</b>                              | <u>(50,869)</u>         | <u>27,542</u>    | <u>4,940</u>    |
| <b>Income Tax (Benefit) Provision</b>                                 | <u>(15,701)</u>         | <u>2,266</u>     | <u>(3,477)</u>  |
| <b>Net (Loss) Income</b>  | <u>\$ (35,168)</u>      | <u>\$ 25,276</u> | <u>\$ 8,417</u> |
| <b>(Loss) Income Per Share of Common Stock</b>                        |                         |                  |                 |
| Basic   | \$ (4.03)               | \$ 2.91          | \$ 0.95         |
| Diluted   | (4.03)                  | 2.88             | 0.95            |
| <b>Weighted-average number of common shares outstanding</b>           |                         |                  |                 |
| Basic   | 8,729,970               | 8,690,416        | 8,837,558       |
| Diluted   | 8,729,970               | 8,765,725        | 8,858,890       |
| <b>Dividends declared per share</b>                                   | \$ 0.24                 | \$ 0.24          | \$ 0.24         |

*See Notes to Consolidated Financial Statements*

**First Internet Bancorp**  
**Consolidated Statements of Comprehensive (Loss) Income**  
(Amounts in thousands)

|   | Year Ended December 31, |           |           |
|---|-------------------------|-----------|-----------|
|   | 2025                    | 2024      | 2023      |
| Net (loss) income   | \$ (35,168)             | \$ 25,276 | \$ 8,417  |
| Other comprehensive income (loss)   |                         |           |           |
| Securities available-for-sale   |                         |           |           |
| Net unrealized holding gains (losses) on securities available-for-sale recorded within other comprehensive income before income tax | 15,764                  | (1,039)   | 7,339     |
| Income tax provision (benefit)  | 3,628                   | (800)     | 1,682     |
| Net effect on other comprehensive income (loss)   | 12,136                  | (239)     | 5,657     |
| Securities held-to-maturity   |                         |           |           |
| Amortization of net unrealized holding losses on securities transferred from available-for-sale to held-to-maturity                 | 515                     | 789       | 778       |
| Income tax provision  | 128                     | 90        | 198       |
| Net effect on other comprehensive income  | 387                     | 699       | 580       |
| Cash flow hedges  |                         |           |           |
| Net unrealized holding losses on cash flow hedging derivatives recorded within other comprehensive income (loss) before income tax  | —                       | (1,082)   | (2,566)   |
| Reclassification of gain on termination of interest rate swaps  | —                       | (2,904)   | —         |
| Income tax benefit  | —                       | (248)     | (590)     |
| Net effect on other comprehensive income (loss)   | —                       | (3,738)   | (1,976)   |
| Total other comprehensive income (loss)   | 12,523                  | (3,278)   | 4,261     |
| Comprehensive (loss) income   | \$ (22,645)             | \$ 21,998 | \$ 12,678 |

*See Notes to Consolidated Financial Statements*

**First Internet Bancorp**  
**Consolidated Statements of Shareholders' Equity**  
(Amounts in thousands except share and per share data)

|   | Voting and<br>Nonvoting<br>Common<br>Stock | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Loss | Total<br>Shareholders'<br>Equity |
|---|--|----------------------|---|----------------------------------|
| <b>Balance, January 1, 2023</b>   | \$ 192,935                                 | \$ 205,675           | \$ (33,636)                                   | \$ 364,974                       |
| Impact of adoption of new accounting standards <sup>(1)</sup>   | —  | (4,491)              | —   | (4,491)                          |
| Net income  | —  | 8,417                | —   | 8,417                            |
| Other comprehensive income  | —  | —                    | 4,261   | 4,261                            |
| Dividends declared (\$0.24 per share)   | —  | (2,131)              | —   | (2,131)                          |
| Repurchased shares of common stock (502,525 shares)   | (9,248)                                    | —                    | —   | (9,248)                          |
| Excise tax on repurchase of common stock  | (92)                                       | —                    | —   | (92)                             |
| Recognition of the fair value of share-based compensation   | 1,258                                      | —                    | —   | 1,258                            |
| Deferred stock rights and restricted stock units issued in lieu of cash dividends payable on outstanding deferred stock rights and restricted stock units | 9  | —                    | —   | 9                                |
| Common stock redeemed for the net settlement of share-based awards  | (162)                                      | —                    | —   | (162)                            |
| <b>Balance, December 31, 2023</b>   | <u>\$ 184,700</u>                          | <u>\$ 207,470</u>    | <u>\$ (29,375)</u>                            | <u>\$ 362,795</u>                |
| Net income  | —  | 25,276               | —   | 25,276                           |
| Other comprehensive loss  | —  | —                    | (3,278)                                       | (3,278)                          |
| Dividends declared (\$0.24 per share)   | —  | (2,124)              | —   | (2,124)                          |
| Repurchased shares of common stock (10,500 shares)  | (283)                                      | —                    | —   | (283)                            |
| Recognition of the fair value of share-based compensation   | 1,814                                      | —                    | —   | 1,814                            |
| Deferred stock rights and restricted stock units issued in lieu of cash dividends payable on outstanding deferred stock rights and restricted stock units | 5  | —                    | —   | 5                                |
| Common stock redeemed for the net settlement of share-based awards  | (142)                                      | —                    | —   | (142)                            |
| <b>Balance, December 31, 2024</b>   | <u>\$ 186,094</u>                          | <u>\$ 230,622</u>    | <u>\$ (32,653)</u>                            | <u>\$ 384,063</u>                |
| Net loss  | —  | (35,168)             | —   | (35,168)                         |
| Other comprehensive income  | —  | —                    | 12,523  | 12,523                           |
| Dividends declared (\$0.24 per share)   | —  | (2,134)              | —   | (2,134)                          |
| Repurchased shares of common stock (27,998 shares)  | (521)                                      | —                    | —   | (521)                            |
| Recognition of the fair value of share-based compensation   | 1,221                                      | —                    | —   | 1,221                            |
| Deferred stock rights and restricted stock units issued in lieu of cash dividends payable on outstanding deferred stock rights and restricted stock units | 7  | —                    | —   | 7                                |
| Common stock redeemed for the net settlement of share-based awards  | (224)                                      | —                    | —   | (224)                            |
| <b>Balance, December 31, 2025</b>   | <u>\$ 186,577</u>                          | <u>\$ 193,320</u>    | <u>\$ (20,130)</u>                            | <u>\$ 359,767</u>                |

<sup>1</sup> Reflects the impact of adopting Accounting Standards Update (“ASU”) 2016-13.

*See Notes to Consolidated Financial Statements*

**First Internet Bancorp**  
**Consolidated Statements of Cash Flows**  
(Amounts in thousands)

|  | Year Ended December 31, |                   |                   |
|--|-------------------------|-------------------|-------------------|
|  | 2025                    | 2024              | 2023              |
| <b>Operating activities</b>  |                         |                   |                   |
| Net (loss) income  | \$ (35,168)             | \$ 25,276         | \$ 8,417          |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                         |                   |                   |
| Depreciation and amortization  | 6,192                   | 8,460             | 5,748             |
| Increase in cash surrender value of bank-owned life insurance                            | (1,165)                 | (1,100)           | (1,023)           |
| Provision for credit losses  | 72,314                  | 17,070            | 16,653            |
| Share-based compensation expense   | 1,221                   | 1,814             | 1,258             |
| Loans originated for sale  | (574,017)               | (517,675)         | (328,146)         |
| Proceeds from sale of loans originated for sale  | 537,937                 | 510,002           | 342,684           |
| Loss (gain) on sale of loans   | 8,313                   | (33,329)          | (20,997)          |
| Loss (gain) on sale of other real estate owned   | 260                     | (27)              | —                 |
| Decrease in fair value of loans held-for-sale  | —                       | —                 | 143               |
| Loss (gain) on derivatives   | —                       | 4,771             | (384)             |
| Gain on prepayment of FHLB advances  | —                       | (1,829)           | —                 |
| Gain on termination of interest rate swaps   | —                       | (2,904)           | —                 |
| Gain on bank-owned life insurance  | —                       | (149)             | —                 |
| Net change in servicing asset  | 5,466                   | 2,537             | 1,463             |
| Net deferred income tax  | (18,096)                | (1,357)           | (4,353)           |
| Net change in other assets   | 3,799                   | (3,932)           | (6,625)           |
| Net change in other liabilities  | (3,607)                 | 5,364             | (3,158)           |
| Net cash provided by operating activities  | <u>3,449</u>            | <u>12,992</u>     | <u>11,680</u>     |
| <b>Investing activities</b>  |                         |                   |                   |
| Net loan activity, excluding sales and purchases   | (464,078)               | (201,768)         | (67,851)          |
| Proceeds from sales of other real estate owned   | 547                     | 623               | —                 |
| Net proceeds from sales of portfolio loans   | 848,139                 | —                 | —                 |
| Maturities of securities available-for-sale  | 135,068                 | 78,378            | 53,142            |
| Purchase of securities available-for-sale  | (311,614)               | (193,944)         | (130,772)         |
| Maturities and calls of securities held-to-maturity                                      | 33,116                  | 31,957            | 19,104            |
| Purchase of securities held-to-maturity  | (33,629)                | (53,977)          | (53,573)          |
| Proceeds from bank owned life insurance  | —                       | 737               | —                 |
| Purchase of premises and equipment   | (1,228)                 | (2,592)           | (5,367)           |
| Loans purchased  | (67,328)                | (142,001)         | (284,722)         |
| Purchase of equity investments   | (10,312)                | (13,583)          | (4,464)           |
| Net cash provided by (used in) investing activities                                      | <u>128,681</u>          | <u>(496,170)</u>  | <u>(474,503)</u>  |
| <b>Financing activities</b>  |                         |                   |                   |
| Net (decrease) increase in deposits  | (93,393)                | 866,233           | 623,818           |
| Cash dividends paid  | (2,087)                 | (2,078)           | (2,156)           |
| Repurchase of common stock   | (521)                   | (283)             | (9,340)           |
| Proceeds from advances from Federal Home Loan Bank                                       | 104,500                 | 430,000           | 475,000           |
| Repayment of advances from Federal Home Loan Bank  | (150,000)               | (750,000)         | (475,000)         |
| Other, net   | (262)                   | (182)             | (153)             |
| Net cash (used in) provided by financing activities                                      | <u>(141,763)</u>        | <u>543,690</u>    | <u>612,169</u>    |
| <b>Net (decrease) increase in cash and cash equivalents</b>                              | <u>(9,633)</u>          | <u>60,512</u>     | <u>149,346</u>    |
| <b>Cash and cash equivalents, beginning of year</b>                                      | <u>466,410</u>          | <u>405,898</u>    | <u>256,552</u>    |
| <b>Cash and cash equivalents, end of year</b>  | <u>\$ 456,777</u>       | <u>\$ 466,410</u> | <u>\$ 405,898</u> |
| <b>Supplemental disclosures of cash flows information</b>                                |                         |                   |                   |
| Cash paid during the year for interest   | 207,147                 | 205,863           | 163,604           |
| Cash paid during the year for taxes  | 99                      | 684               | 939               |
| Loan transferred to equity investment  | 5,000                   | —                 | —                 |
| Loans transferred to other real estate owned   | 3,166                   | 523               | 375               |
| Loans transferred to held-for-sale from portfolio  | 886,154                 | —                 | —                 |
| Cash dividends declared, not paid  | 521                     | 520               | 519               |
| Securities purchases settled in subsequent period  | —                       | —                 | 2,632             |

*See Notes to Consolidated Financial Statements*

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**Note 1: Basis of Presentation and Summary of Significant Accounting Policies**

The accounting policies of First Internet Bancorp and its subsidiaries (the “Company”) conform to accounting principles generally accepted in the United States of America (“GAAP”). A summary of the Company’s significant accounting policies follows:

***Description of Business***

The Company was incorporated on September 15, 2005, and consummated a plan of exchange on March 21, 2006, by which the Company became a bank holding company and 100% owner of First Internet Bank of Indiana (the “Bank”).

The Bank offers a wide range of commercial, small business, consumer and municipal banking products and services. The Bank conducts its consumer and small business deposit operations primarily through digital channels on a nationwide basis and has no traditional branch offices. The Bank is subject to competition from other financial institutions. The Bank is regulated by certain state and federal agencies and undergoes periodic examinations by those regulatory authorities.

The Bank has three wholly owned subsidiaries. JKH Realty Services, LLC was established on August 20, 2012 as a single member limited liability company wholly owned by the Bank to manage other real estate owned properties as needed. First Internet Public Finance Corp., a wholly-owned subsidiary of the Bank, was incorporated on March 6, 2017 and was established to provide municipal finance lending and leasing products to government entities and to purchase, manage, service, and safekeep municipal securities. SPF15, Inc., a wholly-owned subsidiary of the Bank, was incorporated on August 31, 2018 and was established to acquire and hold real estate.

***Principles of Consolidation***

The consolidated financial statements include the accounts of the Company and its direct and indirect subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The Company’s business activities are currently limited to one reporting unit and reportable segment, which is commercial banking.

***Variable Interest Entity (“VIE”)***

The Company also evaluates its relationships with other entities to identify whether they represent a VIE. The Company is considered to hold a controlling financial interest in a VIE when it is the primary beneficiary. As described in applicable accounting standards, the primary beneficiary consolidates the VIE. A primary beneficiary has both: 1) the power to direct the activities that most significantly impact the entity’s economic performance; and 2) and the obligation to absorb losses of, or the right to receive benefits from, an entity that could potentially be significant to the entity. The Company considers all of its economic interests in the VIE when determining whether it has the obligation to absorb losses or the right to receive benefits from the VIE. Certain equity investments held by the Company meet the criteria of a VIE. See Note 3 for additional information on the Company’s equity investments and VIEs.

***Segment Information***

The Company operates as a single reportable segment. While there are several lines of business within the operating segment, they are closely interrelated and cannot operate independently. Accordingly, the Chief Operation Decision Maker (“CODM”) evaluates operations and financial performance on a Company-wide basis and all of the Company’s operations are aggregated in one reportable operating segment. See Note 22 for additional segment information.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company utilizes processes that involve the use of significant estimates and the judgment of management in determining the amount of the Company’s allowance for credit losses (“ACL”). Actual results could differ from those estimates.

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***Securities***

The Company classifies its securities in one of three categories and accounts for the investments as follows:

- Securities that the Company has the positive intent and ability to hold to maturity are classified as “held-to-maturity” and reported at amortized cost.
- Securities that are acquired and held principally for the purpose of selling them in the near term with the objective of generating economic profits on short-term differences in market characteristics are classified as “trading securities” and reported at fair value, with unrealized gains and losses included in earnings. The Company had no securities classified as “trading securities” at December 31, 2025 or 2024.
- Securities not classified as either “held-to-maturity” or “trading securities” are classified as “available-for-sale” and reported at fair value, with unrealized gains and losses, after applicable taxes, excluded from earnings and reported in a separate component of shareholders’ equity.

Interest and dividend income, adjusted by amortization of premium or discount, is included in earnings using the effective interest rate method. Purchases and sales of securities are recorded in the consolidated balance sheets on the trade date. Gains and losses from the sale or disposal of securities are recognized as of the trade date in the consolidated statements of operations for the period in which securities are sold or otherwise disposed of. Gains and losses on sales of securities are determined using the specific-identification method.

***Joint Ventures and Equity Security Accounting***

The Company accounts for its investments in joint ventures using equity security accounting or proportional amortization method as appropriate. The investments in the limited partnerships or LLCs are included in other assets on the consolidated balance sheets.

***Investment in Limited Partnership***

The investment in a limited partnership is recorded using equity security accounting. Losses due to impairment are recorded when it is determined that the investment no longer has the ability to recover its carrying amount. The benefits of low income housing tax credits associated with the investment are accrued when earned.

***Loans Held-for-Sale***

Loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to noninterest income.

Gains and losses on loan sales are recorded in noninterest income, and direct loan origination costs and fees are deferred at origination of the loan and are recognized in noninterest income upon sale of the loan.

***Revenue Recognition***

The Company recognizes revenues as they are earned based on contractual terms, as transactions occur, or as services are provided and collectability is reasonably assured. The Company’s principal source of revenue is interest income from loans and leases and investment securities.

Interest income on loans is accrued as earned using the interest method based on unpaid principal balances, except for interest on loans in nonaccrual status. Interest on loans in nonaccrual status is recorded as a reduction of loan principal when received.

Premiums and discounts are amortized using the effective interest method.

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Loan fees, net of certain direct origination costs, primarily salaries and wages, are deferred and amortized to interest income as a yield adjustment over the life of the loan.

The Company also earns noninterest income through a variety of financial and transaction services provided to commercial and consumer clients such as sales of the government-guaranteed portion of U.S. Small Business Administration loans, loan servicing revenue, deposit accounts, debit cards, mortgage banking and portfolio loan sales. Revenue is recorded for noninterest income based on the contractual terms for the service or transaction performed. In certain circumstances, noninterest income is reported net of associated expenses.

***Loans***

Loans that management intends to hold until maturity are reported at their outstanding principal balance adjusted for unearned income, charge-offs, the ACL, any unamortized deferred fees or costs on originated loans, any unamortized premiums or discounts on purchased loans and any carrying value adjustments related to terminated interest rate swaps associated with loans.

For loans recorded at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are recorded in accordance with our revenue recognition policy.

***ASU 2016 - 13***

On January 1, 2023, the Company adopted ASU 2016-03 Financial Instruments - Credit losses (“ASC 326”): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected credit loss (“CECL”) methodology. The CECL estimate is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures, including loan commitments, standby letters of credit, financial guarantees and other similar instruments. Additionally, ASC 326 resulted in changes to the accounting for available-for-sale debt securities.

The Company adopted ASC 326 for all financial assets measured at amortized cost, available-for-sale securities and off-balance sheet credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326, while prior period amounts continue to be reported in accordance with previously applicable U.S. GAAP. The Company recorded a net decrease to retained earnings of \$4.5 million as of January 1, 2023 for the cumulative effect of adopting ASC 326. The net adjustment to the ACL includes \$2.3 million related to loans, \$1.9 million related to off-balance sheet credit exposures and \$0.3 million related to held-to-maturity debt securities.

***ACL - Available-For-Sale (“AFS”) Debt Securities***

For AFS debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security’s amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors, such as interest rates or market conditions. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and any adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an ACL is recorded. Changes in the ACL are recorded as a provision for, or recovery of, credit loss expense. Losses are charged against the allowance when management believes that uncollectibility of an AFS debt security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

***ACL - Held-To-Maturity (“HTM”) Debt Securities***

Management measures expected credit losses on HTM debt securities on a collective basis by major security type. Accrued interest receivable on HTM debt securities are excluded from the estimate of credit losses. The Company

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made the accounting policy election to not measure an ACL for accrued interest. Accrued interest deemed uncollectible will be written off through interest income. The HTM securities portfolio includes municipal securities, residential mortgage-backed-securities, commercial mortgage-backed securities and corporate securities. All residential and commercial mortgage-backed securities are U.S. government issued or sponsored and substantially all municipal and corporate securities are rated investment grade or above.

The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts.

***ACL - Loans***

The ACL for loans represents management's estimate of all expected credit losses over the expected life of the Company's existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. When the Company is unable to forecast future economic events, management may revert to historical information.

Accrued interest receivable on loans are excluded from the estimate of credit losses. The Company made the accounting policy election to not measure an ACL for accrued interest receivable. Accrued interest deemed uncollectible will be written off through interest income.

***ACL - Loans - Collectively Evaluated***

The ACL is measured on a collective pool basis when similar risk characteristics exist.

The Company utilizes a discounted cash flow ("DCF") method to estimate the quantitative portion of the allowance for credit losses for loans evaluated on a collective pooled basis. For each segment, a loss driver analysis is performed in order to identify loss drivers and create a regression model for use in forecasting cash flows.

In creating the DCF model, the Company has established a one-year reasonable and supportable forecast period with a one-year straight line reversion to the long-term historical average. Due to its limited loss history, the Company elected to use peer data in certain loan segments for a more accurate calculation.

Key inputs into the DCF model include loan-level detail, including the amortized cost basis of individual loans, payment structure, loss history, and forecasted loss drivers. The Company utilizes a third party to provide economic forecasts under various scenarios, which are assessed quarterly considering the scenarios in the context of the current economic environment and loss risk.

Expected credit losses are estimated over the contractual term of the loans and adjusted for prepayments when appropriate. The contractual term excludes extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

Additional key assumptions in the DCF model include the probability of default ("PD"), loss given default ("LGD"), and prepayment/curtailment rates. The Company utilizes the model-driven PD and a LGD derived from a method referred to as Frye Jacobs. The Frye Jacobs method is a mathematical formula that traces the relationship between LGD and PD over time and projects the LGD based on the level of PD forecasted. In all cases, the Frye Jacobs method is utilized to calculate LGD during the forecast period, reversion period and long-term historical average. Prepayment and curtailment rates were calculated through third party analysis of the Company's own data.

Qualitative factors for the DCF include the following:

- Changes in lending policies and procedures, including changes in underwriting standards and collections, charge-offs and recovery practices
- Changes in international, national, regional and local economic conditions

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- Changes in the nature and volume of the portfolio and terms of loans
- Changes in the experience, depth and ability of lending management
- Changes in the volume and severity of past due loans and other similar conditions
- Changes in the quality of the Company's loan review system
- Changes in the value of underlying collateral for collateral dependent loans
- The existence and effect of any concentrations of credit and changes in the levels of such concentrations
- The effect of other external factors (e.g. competition, legal and regulatory requirements) on the level of estimated credit losses

***ACL - Loans - Individually Evaluated***

Loans that do not share risk characteristics are evaluated on an individual basis and are excluded from the collective evaluation. Individual analysis will establish a specific reserve for loans, if necessary. Specific reserves on nonaccrual loans are typically based on management's best estimate of the fair value of collateral securing these loans, adjusted for selling costs as necessary, assessment of guarantor strength, or the value of the government-guaranteed portion of U.S. Small Business Administration loans.

***ACL - Off-Balance Sheet Credit Exposures***

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The ACL for off-balance sheet credit exposure is recorded as a liability and adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. Funding rates are based on a historical analysis of the Company's portfolio, while estimates of credit losses are determined using the same loss rates as funded loans.

***Regulatory Capital***

As permitted by the federal banking regulatory agencies, the Company has elected the option to delay the impact of the day one adoption of ASC 326. Refer to "Note 14: Regulatory Capital Requirements" for details of the phase-in transition adjustments.

***Modified Loans to Borrowers Experiencing Financial Difficulty***

The Company may make modifications to certain loans in order to alleviate temporary difficulties in the borrower's financial condition and/or constraints on the borrower's ability to repay the loan, and to minimize potential losses to the Company. Modifications may include changes in the amortization terms of the loan, reductions in interest rates, acceptance of interest only payments, and/or reductions to the outstanding loan balance. Such loans may be placed on nonaccrual status when there is doubt concerning the full repayment of principal and interest or the loan has been delinquent for a period of 90 days or more. These loans may be returned to accrual status when all contractual amounts past due have been brought current, and the borrower's performance under the modified terms of the loan agreement and the ultimate collectability of all contractual amounts due under the modified terms is no longer in doubt.

***Provision for Credit Losses***

A provision for estimated credit losses is charged to income based upon management's evaluation of the potential losses. Such an evaluation, which includes a review of all loans for which full repayment may not be reasonably assured, considers, among other matters, the estimated net realizable value of the underlying collateral, an assessment of guarantor strength, or the value of the government-guaranteed portion of U.S. Small Business Administration loans, as applicable, economic conditions, loan loss experience, and other factors that are particularly susceptible to changes that could result in a material adjustment in the near term. While management attempts to use the best information available in making its evaluations, future ACL adjustments may be necessary if conditions change substantially from the assumptions used in making the evaluations.

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***Nonaccrual Loans***

Any loan which becomes 90 days delinquent or for which the full collection of principal and interest may be in doubt will be considered for nonaccrual status. At the time a loan is placed on nonaccrual status, all accrued but unpaid interest will be reversed from interest income. Placing a loan on nonaccrual status does not relieve the borrower of the obligation to repay interest. A loan placed on nonaccrual status may be restored to accrual status when all delinquent principal and interest has been brought current, and the Company expects full payment of the remaining contractual principal and interest.

***Individually Evaluated Loans***

A loan is individually evaluated, when, based on current information or events, it is probable that the Company will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement. Payments with delays not exceeding 90 days outstanding generally are not individually evaluated. Certain nonaccrual and substantially all delinquent loans more than 90 days past due may be individually evaluated. Generally, loans are placed on nonaccrual status at 90 days past due and accrued interest is reversed against earnings, unless the loan is well secured and in the process of collection. The accrual of interest on individually evaluated and nonaccrual loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due.

Individually evaluated loans include nonperforming loans and also include loans where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.

Accounting Standards Codification ("ASC") Topic 310, *Receivables*, requires that individually evaluated loans be measured based on the present value of expected future cash flows discounted at the loans' effective interest rates or the fair value of the underlying collateral, less costs to sell, and allows existing methods for recognizing interest income.

***Policy for Charging Off Loans***

The Company's policy is to charge off a loan at any point in time when it no longer can be considered a bankable asset, meaning collectible within the parameters of policy. A secured loan is generally charged down to the estimated fair value of the collateral, less costs to sell, no later than when it is 120 days past due as to principal or interest. An unsecured loan generally is charged off no later than when it is 180 days past due as to principal or interest. A home improvement loan generally is charged off no later than when it is 90 days past due as to principal or interest.

***Federal Home Loan Bank ("FHLB") of Indianapolis Stock***

Federal law requires a member institution of the FHLB system to hold common stock of its district FHLB according to a predetermined formula. This investment is stated at cost, which represents redemption value, and may be pledged as collateral for FHLB advances.

***Premises and Equipment***

Premises and equipment is stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives, which range from three to five years for software and equipment, ten years for land improvements, and 39 years for buildings.

***Other Real Estate Owned***

Other real estate owned represents real estate acquired through foreclosure or deed in lieu of foreclosure. When property is acquired, it is recorded at its fair value, less estimated costs to sell, at the date of acquisition with any resulting write-down charged against the ACL. A valuation allowance is recorded through noninterest expense for any subsequent deterioration of the property. Costs relating to holding and maintaining the property are recorded to noninterest expense as incurred. Upon the sale of other real estate owned the gain or loss, as applicable, is recorded to noninterest income.

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***Derivative Financial Instruments***

The Company uses derivative financial instruments to help manage exposure to interest rate risk and the effects that changes in interest rates may have on net income and the fair value of assets and liabilities. The Company enters into interest rate swap agreements as part of its asset liability management strategy to help manage its interest rate risk position. Additionally, prior to the Company's decision to exit its consumer mortgage business in the first quarter 2023, we entered into forward contracts related to our mortgage banking business to hedge the exposures we had from commitments to extend new residential mortgage loans to our customers and from our mortgage loans held-for-sale. The forward contracts were entered into in order to economically hedge the effect of changed interest rates resulting from the Company's commitment to fund the loans.

Designating an interest rate swap as an accounting hedge allows the Company to recognize gains and losses in the income statement within the same period that the hedged item affects earnings. The Company includes the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the related interest rate swaps. For derivative instruments that are designated and qualify as cash flow hedges, any gains or losses related to changes in fair value are recorded in accumulated other comprehensive loss, net of tax. The fair value of interest rate swaps with a positive fair value are reported in accrued income and other assets in the consolidated balance sheets while interest rate swaps with a negative fair value are reported in accrued expenses and other liabilities in the consolidated balance sheets.

The interest rate lock commitments ("IRLCs") and forward contracts are not designated as accounting hedges and are recorded at fair value with changes in fair value reflected in noninterest income in the consolidated statements of operation. The fair value of these derivative instruments with a positive fair value are reported in accrued income and other assets in the consolidated balance sheets, while derivative instruments with a negative fair value are reported in accrued expenses and other liabilities in the consolidated balance sheets.

***Fair Value Measurements***

The Company records or discloses certain assets and liabilities at fair value. ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are classified within one of three levels in a valuation hierarchy. ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

There were no transfers that occurred and, therefore, recognized, between any of the fair value hierarchy levels at December 31, 2025 or 2024.

***Income Taxes***

Deferred income tax assets and liabilities reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities as measured by tax laws and regulations. Deferred income tax expense or benefit is based upon the change in deferred tax assets and liabilities from period to period, subject to an ongoing assessment of realization of deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company files income tax returns in the U.S. federal, Indiana, and other state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local examinations by tax authorities for years before 2022.

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ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not identify any material uncertain tax positions that it believes should be recognized in the consolidated financial statements.

***(Loss) Earnings Per Share***

(Loss) earnings per share of common stock is based on the weighted average number of basic shares and dilutive shares outstanding during the year.

The following is a reconciliation of the weighted average common shares for the basic and diluted (loss) earnings per share computations.

|   | <b>Year Ended December 31,</b> |             |             |
|---|--------------------------------|-------------|-------------|
|   | <b>2025</b>                    | <b>2024</b> | <b>2023</b> |
| <b>Basic (loss) earnings per share</b>                |                                |             |             |
| Net (loss) income available to common shareholders    | \$ (35,168)                    | \$ 25,276   | \$ 8,417    |
| Weighted average common shares                        | 8,729,970                      | 8,690,416   | 8,837,558   |
| Basic (loss) earnings per common share                | \$ (4.03)                      | \$ 2.91     | \$ 0.95     |
| <b>Diluted (loss) earnings per share</b>              |                                |             |             |
| Net (loss) income available to common shareholders    | \$ (35,168)                    | \$ 25,276   | \$ 8,417    |
| Weighted average common shares                        | 8,729,970                      | 8,690,416   | 8,837,558   |
| Dilutive effect of equity compensation                | —                              | 75,309      | 21,332      |
| Weighted average common and incremental shares        | 8,729,970                      | 8,765,725   | 8,858,890   |
| Diluted (loss) earnings per common share <sup>1</sup> | \$ (4.03)                      | \$ 2.88     | \$ 0.95     |

<sup>1</sup> Potential dilutive common shares are excluded from the computation of diluted (loss) earnings per share in the periods where the effect would be antidilutive. There were no antidilutive shares for the years ended December 31, 2025 and December 31, 2024. Excluded from the computation of diluted (loss) earnings per share were weighted average antidilutive shares totaling 20,797 for the year ended December 31, 2023.

***Share-based Compensation***

The Company has a share-based compensation plan using the fair value recognition provisions of ASC Topic 718, *Compensation - Stock Compensation*. The plan is described more fully in Note 11.

***Comprehensive (Loss) Income***

Comprehensive (loss) income consists of net (loss) income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available-for-sale, unrealized gains and losses on the transfer of securities available-for-sale to securities held-to-maturity, and unrealized gains and losses on cash flow hedges.

Reclassification adjustments have been determined for all components of other comprehensive income (loss) reported in the consolidated statements of shareholders' equity.

***Statements of Cash Flows***

Cash and cash equivalents are defined to include cash on-hand, noninterest and interest-bearing amounts due from other banks and federal funds sold. Generally, federal funds are sold for one-day periods. The Company reports net cash flows for customer loan transactions and deposit transactions.

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***Bank-Owned Life Insurance***

Bank-owned life insurance policies are carried at their cash surrender value. The Company recognizes tax-free income from the periodic increases in the cash surrender value of these policies and from death benefits.

***Goodwill***

Goodwill is assessed for impairment annually as of August 31, or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its estimated carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

***Servicing Asset***

The servicing asset is related to small business lending and single tenant lease financing loans sold. The servicing asset is recognized at the time of sale when servicing is retained and the income statement effect is recorded in loan servicing revenue. Servicing assets are recorded at fair value in accordance with ASC 860. Fair value is based on a third-party valuation model that calculates the present value of net servicing revenue.

***Transfers of Financial Assets***

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company (put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership), (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

***Reclassifications***

Certain reclassifications of prior year disclosures within Note 13 have been made to conform to the current year presentation. These reclassifications had no impact on the Company's consolidated financial position, results of operations or net change in cash and cash equivalents.

**Note 2: Cash and Cash Equivalents**

At December 31, 2025, the Company's interest-bearing and noninterest-bearing cash accounts at other institutions exceeded the limits for full FDIC insurance coverage by \$1.5 million. In addition, approximately \$442.4 million and \$7.6 million of cash was held at the Federal Reserve Bank and the FHLB of Indianapolis, respectively, which are not federally insured.

The Federal Reserve Act authorizes the Federal Reserve Board to establish reserve requirements within specified ranges for the purpose of implementing monetary policy on certain types of deposits and other liabilities of depository institutions. On March 15, 2020, the Federal Reserve Board reduced requirement ratios to zero percent effective March 26, 2020. As such, the Company is not currently required to maintain reserve funds in cash and/or on deposit with the Federal Reserve Bank.

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**Note 3: Securities**

The following tables summarize securities available-for-sale and securities held-to-maturity as of December 31, 2025 and 2024.

|  | December 31, 2025 |                  |                    |                   |
|--|-------------------|------------------|--------------------|-------------------|
|  | Amortized<br>Cost | Gross Unrealized |                    | Fair Value        |
|  |                   | Gains            | Losses             |                   |
| Securities available-for-sale                                |                   |                  |                    |                   |
| U.S. Government-sponsored agencies                           | \$ 64,298         | \$ 480           | \$ (1,014)         | \$ 63,764         |
| Municipal securities   | 64,777            | 17               | (1,408)            | 63,386            |
| Agency mortgage-backed securities - residential <sup>1</sup> | 409,718           | 841              | (21,102)           | 389,457           |
| Agency mortgage-backed securities - commercial               | 59,112            | 202              | (837)              | 58,477            |
| Private label mortgage-backed securities - residential       | 124,264           | 234              | (825)              | 123,673           |
| Asset-backed securities                                      | 42,492            | 100              | (39)               | 42,553            |
| Corporate securities   | 37,761            | 346              | (730)              | 37,377            |
| Total available-for-sale                                     | <u>\$ 802,422</u> | <u>\$ 2,220</u>  | <u>\$ (25,955)</u> | <u>\$ 778,687</u> |

|   | December 31, 2025 |                  |                    |                   |                                   |                          |
|---|-------------------|------------------|--------------------|-------------------|-----------------------------------|--------------------------|
|   | Amortized<br>Cost | Gross Unrealized |                    | Fair Value        | Allowance<br>for Credit<br>Losses | Net<br>Carrying<br>Value |
|   |                   | Gains            | Losses             |                   |                                   |                          |
| Securities held-to-maturity                     |                   |                  |                    |                   |                                   |                          |
| Municipal securities                            | \$ 11,009         | \$ 1             | \$ (459)           | \$ 10,551         | \$ (3)                            | \$ 11,006                |
| Agency mortgage-backed securities - residential | 213,530           | 1,834            | (11,649)           | 203,715           | —                                 | 213,530                  |
| Agency mortgage-backed securities - commercial  | 5,635             | —                | (915)              | 4,720             | —                                 | 5,635                    |
| Corporate securities                            | 20,536            | —                | (707)              | 19,829            | (98)                              | 20,438                   |
| Total held-to-maturity                          | <u>\$ 250,710</u> | <u>\$ 1,835</u>  | <u>\$ (13,730)</u> | <u>\$ 238,815</u> | <u>\$ (101)</u>                   | <u>\$ 250,609</u>        |

<sup>1</sup> Includes \$0.2 million of additional premium related to terminated interest rate swaps associated with agency mortgage-backed securities - residential as of December 31, 2025.

|  | December 31, 2024 |                  |                    |                   |
|--|-------------------|------------------|--------------------|-------------------|
|  | Amortized<br>Cost | Gross Unrealized |                    | Fair Value        |
|  |                   | Gains            | Losses             |                   |
| Securities available-for-sale                                |                   |                  |                    |                   |
| U.S. Government-sponsored agencies                           | \$ 83,811         | \$ 487           | \$ (1,482)         | \$ 82,816         |
| Municipal securities   | 67,441            | —                | (3,787)            | 63,654            |
| Agency mortgage-backed securities - residential <sup>1</sup> | 300,914           | 460              | (31,733)           | 269,641           |
| Agency mortgage-backed securities - commercial               | 64,214            | 276              | (1,159)            | 63,331            |
| Private label mortgage-backed securities - residential       | 46,623            | 186              | (988)              | 45,821            |
| Asset-backed securities                                      | 23,802            | 62               | (43)               | 23,821            |
| Corporate securities   | 40,049            | 71               | (1,849)            | 38,271            |
| Total available-for-sale                                     | <u>\$ 626,854</u> | <u>\$ 1,542</u>  | <u>\$ (41,041)</u> | <u>\$ 587,355</u> |

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**December 31, 2024**

|   | Amortized<br>Cost | Gross Unrealized |                    | Fair Value        | Allowance<br>for Credit<br>Losses | Net<br>Carrying<br>Value |
|---|-------------------|------------------|--------------------|-------------------|-----------------------------------|--------------------------|
|   |                   | Gains            | Losses             |                   |                                   |                          |
| Securities held-to-maturity                     |                   |                  |                    |                   |                                   |                          |
| Municipal securities                            | \$ 12,846         | \$ —             | \$ (921)           | \$ 11,925         | \$ (3)                            | \$ 12,843                |
| Agency mortgage-backed securities - residential | 201,840           | 102              | (17,530)           | 184,412           | —                                 | 201,840                  |
| Agency mortgage-backed securities - commercial  | 5,705             | —                | (1,157)            | 4,548             | —                                 | 5,705                    |
| Corporate securities                            | 29,559            | —                | (1,593)            | 27,966            | (151)                             | 29,408                   |
| Total held-to-maturity                          | <u>\$ 249,950</u> | <u>\$ 102</u>    | <u>\$ (21,201)</u> | <u>\$ 228,851</u> | <u>\$ (154)</u>                   | <u>\$ 249,796</u>        |

<sup>1</sup> Includes \$0.3 million of additional premium related to terminated interest rate swaps associated with agency mortgage-backed securities - residential as of December 31, 2024.

Accrued interest receivable on AFS and HTM securities at December 31, 2025 was \$3.0 million and \$1.1 million, respectively, compared to \$2.8 million and \$1.1 million, respectively, at December 31, 2024, and is included in accrued interest receivable on the consolidated balance sheet. The Company elected to exclude all accrued interest receivable from securities when estimating credit losses.

At December 31, 2025 and 2024, over 84% and 92%, respectively, of mortgage-backed securities (including both AFS and HTM) held by the Company are issued by U.S. government-sponsored entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government and have a long history of no credit losses and it is expected that the securities will not be settled at prices less than the amortized cost bases of the securities as such securities are backed by the full faith and credit of and/or guaranteed by the U.S. government; therefore, the Company did not record an ACL on these securities.

Additionally, the Company evaluated credit impairment for individual AFS securities that are in an unrealized loss position and determined that the unrealized losses are unrelated to credit quality and are primarily attributable to changes in interest rates and volatility in the financial markets. As the Company does not intend to sell the AFS securities that are in an unrealized loss position, and it is unlikely that it will be required to sell these securities before recovery of their amortized cost basis, the Company did not record an ACL on these securities.

The Company also evaluated its HTM securities that are in an unrealized loss position and considered issuer bond ratings, historical loss rates for bond ratings and economic forecasts. The ACL on HTM securities at December 31, 2025 and 2024 was \$0.1 million and \$0.2 million, respectively.

The carrying value of securities at December 31, 2025 is shown below by their contractual maturity date. Actual maturities will differ because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

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|  | <b>Available-for-Sale</b> |                   |
|--|---------------------------|-------------------|
|  | <b>Amortized Cost</b>     | <b>Fair Value</b> |
| Within one year  | \$ 1,336                  | \$ 1,336          |
| One to five years                                      | 27,784                    | 27,222            |
| Five to ten years                                      | 75,741                    | 75,504            |
| After ten years  | 61,975                    | 60,465            |
|  | <u>166,836</u>            | <u>164,527</u>    |
| Agency mortgage-backed securities - residential        | 409,718                   | 389,457           |
| Agency mortgage-backed securities - commercial         | 59,112                    | 58,477            |
| Private label mortgage-backed securities - residential | 124,264                   | 123,673           |
| Asset-backed securities                                | 42,492                    | 42,553            |
| Total  | <u>\$ 802,422</u>         | <u>\$ 778,687</u> |

|   | <b>Held-to-Maturity</b> |                   |
|---|-------------------------|-------------------|
|   | <b>Amortized Cost</b>   | <b>Fair Value</b> |
| Within one year                                 | \$ 935                  | \$ 931            |
| One to five years                               | 17,059                  | 16,901            |
| Five to ten years                               | 10,514                  | 9,779             |
| After ten years                                 | 3,037                   | 2,769             |
|   | <u>31,545</u>           | <u>30,380</u>     |
| Agency mortgage-backed securities - residential | 213,530                 | 203,715           |
| Agency mortgage-backed securities - commercial  | 5,635                   | 4,720             |
| Total   | <u>\$ 250,710</u>       | <u>\$ 238,815</u> |

There were no gross realized gains or losses resulting from the sale of AFS securities recognized during the twelve months ended December 31, 2025, December 31, 2024 and December 31, 2023.

As of December 31, 2025, the fair value of securities pledged as collateral was \$986.7 million. The Company pledged these securities to both the FHLB and the Fed Discount Window to increase the Company's borrowing capacity and provide collateral for existing FHLB advances.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. The total fair value of these investments at December 31, 2025 and 2024 was \$611.2 million and \$603.9 million, which is approximately 59% and 72%, respectively, of the Company's AFS and HTM securities portfolios. As of December 31, 2025, the Company's securities portfolio consisted of 618 positions, of which 395 were in an unrealized loss position. As of December 31, 2024, the Company's security portfolio consisted of 579 positions, of which 482 were in an unrealized loss position. The unrealized losses are related to the categories noted below.

***U.S. Government-Sponsored Agencies, Municipal Securities and Corporate Securities***

The unrealized losses on the Company's investments in securities issued by U.S. Government-sponsored agencies, municipal organizations and corporate entities were caused primarily by interest rate changes. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investments. The Company does not intend to sell the investments, and it is not likely that the Company will be required to sell the investments, before recovery of their amortized cost basis, which may be upon maturity.

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***Agency Mortgage-Backed Securities, Private Label Mortgage-Backed Securities and Asset-Backed Securities***

The unrealized losses on the Company's investments in agency mortgage-backed securities, private label mortgage-backed securities and asset-backed securities were caused primarily by interest rate changes. The Company expects to recover the amortized cost basis over the terms of the securities. The Company does not intend to sell the investments, and it is not more likely than not that the Company will be required to sell the investments, before recovery of their amortized cost basis, which may be upon maturity.

The following tables show the securities portfolio's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2025 and 2024:

|  | <b>December 31, 2025</b>   |                          |                            |                          |                   |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|-------------------|--------------------------|
|  | <b>Less Than 12 Months</b> |                          | <b>12 Months or Longer</b> |                          | <b>Total</b>      |                          |
|  | <b>Fair Value</b>          | <b>Unrealized Losses</b> | <b>Fair Value</b>          | <b>Unrealized Losses</b> | <b>Fair Value</b> | <b>Unrealized Losses</b> |
| Securities available-for-sale                          |                            |                          |                            |                          |                   |                          |
| U.S. Government-sponsored agencies                     | \$ 3,600                   | \$ (20)                  | \$ 33,849                  | \$ (994)                 | \$ 37,449         | \$ (1,014)               |
| Municipal securities                                   | 2,301                      | —                        | 42,515                     | (1,408)                  | 44,816            | (1,408)                  |
| Agency mortgage-backed securities - residential        | 67,177                     | (190)                    | 186,453                    | (20,912)                 | 253,630           | (21,102)                 |
| Agency mortgage-backed securities - commercial         | 2,981                      | (22)                     | 25,915                     | (815)                    | 28,896            | (837)                    |
| Private label mortgage-backed securities - residential | 75,924                     | (191)                    | 6,533                      | (634)                    | 82,457            | (825)                    |
| Asset-backed securities                                | 21,413                     | (39)                     | —                          | —                        | 21,413            | (39)                     |
| Corporate securities                                   | 3,698                      | (52)                     | 14,322                     | (678)                    | 18,020            | (730)                    |
| <b>Total</b>   | <b>\$ 177,094</b>          | <b>\$ (514)</b>          | <b>\$ 309,587</b>          | <b>\$ (25,441)</b>       | <b>\$ 486,681</b> | <b>\$ (25,955)</b>       |

|  | <b>December 31, 2024</b>   |                          |                            |                          |                   |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|-------------------|--------------------------|
|  | <b>Less Than 12 Months</b> |                          | <b>12 Months or Longer</b> |                          | <b>Total</b>      |                          |
|  | <b>Fair Value</b>          | <b>Unrealized Losses</b> | <b>Fair Value</b>          | <b>Unrealized Losses</b> | <b>Fair Value</b> | <b>Unrealized Losses</b> |
| Securities available-for-sale                          |                            |                          |                            |                          |                   |                          |
| U.S. Government-sponsored agencies                     | \$ 16,856                  | \$ (111)                 | \$ 29,748                  | \$ (1,371)               | \$ 46,604         | \$ (1,482)               |
| Municipals   | 8,504                      | (54)                     | 52,649                     | (3,733)                  | 61,153            | (3,787)                  |
| Agency mortgage-backed securities - residential        | 41,005                     | (179)                    | 169,483                    | (31,554)                 | 210,488           | (31,733)                 |
| Agency mortgage-backed securities - commercial         | 18,141                     | (37)                     | 12,027                     | (1,122)                  | 30,168            | (1,159)                  |
| Private label mortgage-backed securities - residential | 3,003                      | (14)                     | 7,450                      | (974)                    | 10,453            | (988)                    |
| Asset-backed securities                                | 10,299                     | (43)                     | —                          | —                        | 10,299            | (43)                     |
| Corporate securities                                   | 2,994                      | (6)                      | 27,179                     | (1,843)                  | 30,173            | (1,849)                  |
| <b>Total</b>   | <b>\$ 100,802</b>          | <b>\$ (444)</b>          | <b>\$ 298,536</b>          | <b>\$ (40,597)</b>       | <b>\$ 399,338</b> | <b>\$ (41,041)</b>       |

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The following table summarizes ratings for the Company’s HTM portfolio issued by state and political subdivisions and other securities as of December 31, 2025 and 2024.

| <b>December 31, 2025</b> |                             |   |  |                             |                   |
|--------------------------|-----------------------------|---|--|-----------------------------|-------------------|
| <b>Held-to-Maturity</b>  |                             |   |  |                             |                   |
|                          | <b>Municipal Securities</b> | <b>Mortgage-Backed Securities - Residential</b> | <b>Mortgage-Backed Securities - Commercial</b> | <b>Corporate Securities</b> | <b>Total</b>      |
| AAA equivalent - agency  | \$ —                        | \$ 213,530                                      | \$ 5,635                                       | \$ —                        | \$ 219,165        |
| Aa1/AA+                  | 7,046                       | —   | —  | —                           | 7,046             |
| Aa2/AA                   | 2,170                       | —   | —  | —                           | 2,170             |
| Aa3/AA-                  | 1,793                       | —   | —  | —                           | 1,793             |
| A2/A                     | —                           | —   | —  | —                           | —                 |
| A3/A-                    | —                           | —   | —  | 5,000                       | 5,000             |
| Baa1/BBB+                | —                           | —   | —  | 5,000                       | 5,000             |
| Baa2/BBB                 | —                           | —   | —  | 4,000                       | 4,000             |
| Baa3/BBB-                | —                           | —   | —  | 4,536                       | 4,536             |
| Ba1/BB+                  | —                           | —   | —  | 2,000                       | 2,000             |
| <b>Total</b>             | <b>\$ 11,009</b>            | <b>\$ 213,530</b>                               | <b>\$ 5,635</b>                                | <b>\$ 20,536</b>            | <b>\$ 250,710</b> |

| <b>December 31, 2024</b> |                             |   |  |                             |                   |
|--------------------------|-----------------------------|---|--|-----------------------------|-------------------|
| <b>Held-to-Maturity</b>  |                             |   |  |                             |                   |
|                          | <b>Municipal Securities</b> | <b>Mortgage-Backed Securities - Residential</b> | <b>Mortgage-Backed Securities - Commercial</b> | <b>Corporate Securities</b> | <b>Total</b>      |
| AAA equivalent - agency  | \$ —                        | \$ 201,840                                      | \$ 5,705                                       | \$ —                        | \$ 207,545        |
| Aa1/AA+                  | 8,878                       | —   | —  | —                           | 8,878             |
| Aa2/AA                   | 2,175                       | —   | —  | —                           | 2,175             |
| Aa3/AA-                  | 1,793                       | —   | —  | —                           | 1,793             |
| A2/A                     | —                           | —   | —  | 5,000                       | 5,000             |
| A3/A-                    | —                           | —   | —  | —                           | —                 |
| Baa1/BBB+                | —                           | —   | —  | 8,500                       | 8,500             |
| Baa2/BBB                 | —                           | —   | —  | 5,500                       | 5,500             |
| Baa3/BBB-                | —                           | —   | —  | 8,559                       | 8,559             |
| Ba1/BB+                  | —                           | —   | —  | 2,000                       | 2,000             |
| <b>Total</b>             | <b>\$ 12,846</b>            | <b>\$ 201,840</b>                               | <b>\$ 5,705</b>                                | <b>\$ 29,559</b>            | <b>\$ 249,950</b> |

There were no amounts reclassified from accumulated other comprehensive loss to the consolidated statements of operations during the twelve months ended December 31, 2025, 2024 and 2023.

***Equity Investments***

Equity investments, largely comprised of non-marketable equity investments, are generally accounted for under equity security accounting and are included within accrued income and other assets on the consolidated balance sheet. The Company’s non-marketable equity investments consist of limited partner interests in venture capital and Small Business Investment Company (“SBIC”) funds. After the initial commitment and over the course of the investment period, the Company will make capital contributions and receive a proportional share of profit and return of capital distributions as a result of fund performance until the funds wind down. While the partnership agreements allow the Company to remove the general partner, this right is not considered to be substantive as the general partner can only be removed for cause. All of these investments are generally non-redeemable and distributions are generally expected to

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be received through the liquidation of the underlying investments throughout the life of the investment fund. Investments may only be sold or transferred subject to the notice and approval provisions of the underlying investment agreements.

The following tables provide additional information related to equity investments accounted for under equity security accounting.

The carrying amount of each equity investment with a readily determinable fair value or net asset value at December 31, 2025 and 2024 is reflected in the following table:

|                          | 2025            | 2024            |
|--------------------------|-----------------|-----------------|
| GenOpp Financial Fund LP | \$ 2,876        | \$ 2,724        |
| Total                    | <u>\$ 2,876</u> | <u>\$ 2,724</u> |

The carrying amount of the Company's investments in non-marketable equity securities with no readily determinable fair value and amounts recognized in earnings on a cumulative basis for the years ended December 31, 2025 and 2024 is reflected in the following table:

|  | 2025             | 2024             |
|--|------------------|------------------|
| Carrying value <sup>1</sup>            | \$ 38,611        | \$ 20,017        |
| Carrying value adjustments             | —                | —                |
| Impairment                             | —                | —                |
| Upward changes for observable prices   | —                | —                |
| Downward changes for observable prices | —                | —                |
| Net change                             | <u>\$ 38,611</u> | <u>\$ 20,017</u> |

<sup>1</sup> Excludes \$14.6 million and \$9.1 million in unfunded commitments as of December 31, 2025 and 2024, respectively.

***Variable Interest Entities***

The above investments meet the criteria of a VIE. However, the Company is not the primary beneficiary of the entities as it does not have the power to direct the activities that most significantly impact the economic performance of the entities. The Company's maximum exposure to loss from unconsolidated VIEs includes the value of the investment recorded on the Company's consolidated balance sheets and unfunded commitment. The Company believes the potential for loss from these investments is remote, the maximum exposure for the affordable housing investment was determined by assuming a scenario where related tax credits were recaptured.

The following table provides a summary of VIEs that the Company has not consolidated as December 31, 2025 and 2024:

|   | December 31, 2025 |                          |                      |                             |
|---|-------------------|--------------------------|----------------------|-----------------------------|
|   | Carrying Amount   | Maximum Exposure to Loss | Liability Recognized | Classification              |
| Private equity and venture capital funds    | \$ 13,685         | \$ 20,208                | \$ —                 | Other assets <sup>(1)</sup> |
| Hedge funds                                 | 2,876             | 2,876                    | —                    | Other assets <sup>(2)</sup> |
| SBIC  | 7,292             | 13,000                   | —                    | Other assets <sup>(3)</sup> |
| Affordable housing                          | 7,634             | 12,519                   | —                    | Other assets <sup>(4)</sup> |
| Non-marketable and other equity investments | 10,000            | 10,000                   | —                    | Other assets <sup>(5)</sup> |

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|   | <b>Carrying<br/>Amount</b> | <b>Maximum<br/>Exposure to<br/>Loss</b> | <b>Liability<br/>Recognized</b> | <b>Classification</b>        |
|---|----------------------------|---|---------------------------------|------------------------------|
| Private equity and venture capital funds    | \$ 10,811                  | \$ 20,057                               | \$ —                            | Other assets <sup>(6)</sup>  |
| Hedge funds                                 | 2,724                      | 2,724                                   | —                               | Other assets <sup>(7)</sup>  |
| SBIC  | 4,931                      | 8,000                                   | —                               | Other assets <sup>(8)</sup>  |
| Affordable housing                          | 5,073                      | 11,519                                  | —                               | Other assets <sup>(9)</sup>  |
| Non-marketable and other equity investments | 5,000                      | 5,000                                   | —                               | Other assets <sup>(10)</sup> |

(1) Maximum exposure to loss includes \$13.7 million of current investments and \$6.5 million in unfunded commitments.

(2) Maximum exposure to loss includes \$2.9 million of current investments.

(3) Maximum exposure to loss includes \$7.3 million of current investments and \$5.7 million in unfunded commitments.

(4) Maximum exposure to loss includes \$7.6 million of current investments, \$2.4 million in unfunded commitments and a scenario in which related tax credits of \$2.5 million are recaptured, totaling \$12.5 million.

(5) Maximum exposure to loss includes \$10.0 million of current investments.

(6) Maximum exposure to loss includes \$10.8 million of current investments and \$9.3 million in unfunded commitments.

(7) Maximum exposure to loss includes \$2.7 million of current investments.

(8) Maximum exposure to loss includes \$4.9 million of current investments and \$3.1 million in unfunded commitments.

(9) Maximum exposure to loss includes \$5.1 million of current investments, \$4.9 million in unfunded commitments and a scenario in which related tax credits of \$1.5 million are recaptured, totaling \$11.5 million.

(10) Maximum exposure to loss includes \$5.0 million of current investments and \$5.0 million in unfunded commitments.

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**Note 4: Loans and Allowance for Credit Losses**

Categories of loans include:

|  | December 31, |              |
|--|--------------|--------------|
|  | 2025         | 2024         |
| Commercial loans   |              |              |
| Commercial and industrial  | \$ 221,714   | \$ 120,175   |
| Owner-occupied commercial real estate  | 48,575       | 53,591       |
| Investor commercial real estate  | 647,394      | 269,431      |
| Construction   | 372,668      | 413,523      |
| Single tenant lease financing  | 222,925      | 949,748      |
| Public finance   | 442,234      | 485,867      |
| Healthcare finance   | 139,469      | 181,427      |
| Small business lending <sup>1</sup>  | 430,024      | 331,914      |
| Franchise finance  | 417,045      | 536,909      |
| Total commercial loans   | 2,942,048    | 3,342,585    |
| Consumer loans   |              |              |
| Residential mortgage   | 343,110      | 375,160      |
| Home equity  | 14,725       | 18,274       |
| Other consumer   | 425,458      | 407,947      |
| Total consumer loans   | 783,293      | 801,381      |
| Total commercial and consumer loans  | 3,725,341    | 4,143,966    |
| Net deferred loan origination costs, premiums and discounts on purchased loans, and other <sup>2</sup> | 21,387       | 26,680       |
| Total loans  | 3,746,728    | 4,170,646    |
| Allowance for credit losses  | (55,686)     | (44,769)     |
| Net loans  | \$ 3,691,042 | \$ 4,125,877 |

<sup>1</sup> Balances include \$52.2 million and \$34.0 million that are guaranteed by the U.S. government as of December 31, 2025 and December 31, 2024, respectively.

<sup>2</sup> Includes carrying value adjustment of \$19.1 million and \$22.9 million related to terminated interest rate swaps associated with public finance loans as of December 31, 2025 and December 31, 2024, respectively.

During the twelve months ended December 31, 2025, the Company sold a total of \$851.2 million of single tenant lease financing loans from which the Company recognized a pre-tax loss on sale of \$38.2 million recorded within non-interest income. The transaction was executed as part of an initiative to strengthen the Company's regulatory capital ratios and improve its interest rate risk position. Unrelated to this transaction, the Company also sold \$35.0 million of single tenant lease financing loans which resulted in a gain on sale of \$0.3 million recorded within non-interest income.

The general risk characteristics specific to each loan portfolio segment are as follows:

**Commercial and Industrial:** Commercial and industrial loans' sources of repayment are primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected, and the collateral securing these loans may fluctuate in value. Loans are made for working capital, equipment purchases, or other purposes. Most commercial and industrial loans are secured by the assets being financed and may incorporate a personal guarantee. This portfolio segment is generally concentrated in the Midwest and Southwest regions of the United States.

**Owner-Occupied Commercial Real Estate:** The primary source of repayment is the cash flow from the ongoing operations and activities conducted by the borrower, or an affiliate of the borrower, who owns the property. This portfolio segment is generally concentrated in the Midwest and Southwest regions of the United States and its loans are often secured by manufacturing and service facilities.

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**Investor Commercial Real Estate:** These loans are made on a nationwide basis and are underwritten primarily based on the cash flow expected to be generated from the property and are secondarily supported by the value of the real estate. These loans typically incorporate a personal guarantee from the primary sponsor or sponsors. This portfolio segment generally involves larger loan amounts with repayment primarily dependent on the successful leasing and operation of the property securing the loan or the business conducted on the property securing the loan. Investor commercial real estate loans may be more adversely affected by changing economic conditions in the real estate markets, industry dynamics or the overall health of the local economy where the property is located. The properties securing the Company's investor commercial real estate portfolio tend to be diverse in terms of property type. Management monitors and evaluates commercial real estate loans based on property financial performance, collateral value, guarantor strength, economic and industry conditions together with other risk grade criteria. As a general rule, the Company avoids financing special use projects unless other underwriting factors are present to mitigate these additional risks.

**Construction:** Construction loans are made on a nationwide basis and are secured by land and related improvements and are made to assist in the construction of new structures, which may include commercial (retail, industrial, office, and multi-family) properties, land development for residential properties or single family residential properties offered for sale by the builder. These loans generally finance a variety of project costs, including land, site preparation, architectural services, construction, closing and soft costs and interim financing needs. The cash flows of builders, while initially predictable, may fluctuate with market conditions, and the value of the collateral securing these loans may be subject to fluctuations based on general economic changes.

**Single Tenant Lease Financing:** These loans are made on a nationwide basis to owners of real estate subject to long-term lease arrangements with single tenant operators. The real estate is typically operated by regionally, nationally or globally branded businesses. The loans are underwritten based on the financial strength of the borrower, characteristics of the real estate, cash flows generated from the lease arrangements and the financial strength of the tenant. Similar to the other loan portfolio segments, management monitors and evaluates these loans based on borrower and tenant financial performance, collateral value, industry trends and other risk grade criteria.

**Public Finance:** These loans are made on a nationwide basis to governmental and not-for-profit entities to provide both tax-exempt and taxable loans for a variety of purposes including: short-term cash-flow needs; debt refinancing; economic development; quality of life projects; infrastructure improvements; renewable energy projects; and equipment financing. The primary sources of repayment for public finance loans include pledged revenue sources including, but not limited to: general obligations; property taxes; income taxes; tax increment revenue; utility revenue; gaming revenues; sales tax; and pledged general revenue. Certain loans may also include an additional collateral pledge of mortgaged property or a security interest in financed equipment.

**Healthcare Finance:** These loans are made on a nationwide basis to healthcare providers, primarily dentists, for practice acquisition financing or refinancing that occasionally includes owner-occupied commercial real estate and equipment purchases. The sources of repayment are primarily based on the identified cash flows from operations of the borrower and related entities and secondarily on the underlying collateral provided by the borrower.

**Small Business Lending:** These loans are made on a nationwide basis to small businesses and generally carry a partial guaranty from the U.S. Small Business Administration ("SBA") under its 7(a) loan program. We generally sell the government guaranteed portion of SBA loans into the secondary market while retaining the non-guaranteed portion of the loan and the servicing rights. Loans in the small business lending portfolio have sources of repayment that are primarily based on the identified cash flows of the borrower and secondarily on any underlying collateral provided by the borrower. Loans may, but do not always, have a collateral shortfall. For SBA loans where the guaranteed portion is retained, the SBA guaranty provides a tertiary source of repayment to the Bank in event of borrower default. Cash flows of borrowers, however, may not be as expected and collateral securing these loans may fluctuate in value. Loans are made for a broad array of purposes including, but not limited to, providing operating cash flow, funding ownership changes, and facilitating equipment and commercial real estate purchases.

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**Franchise Finance:** These loans are made on a nationwide basis through our partnership with ApplePie Capital, which through their deep relationships with franchise brands provides franchisees with financing options for new franchise units, recapitalization, expansion, equipment and working capital. The sources of repayment are either based on identified cash flows from existing operations of the borrower or pro forma cash flow for new franchise locations.

**Residential Mortgage:** Residential mortgage loans are secured by one-to-four family residential properties, which are generally owner-occupied. The Company establishes maximum loan-to-value ratios and requires private mortgage insurance when those thresholds are exceeded. Repayment performance is primarily dependent on the financial condition of the borrowers and may be adversely affected by broader economic factors, including employment conditions and changes in residential real estate values. While the portfolio is concentrated within the Company's primary market area, risk is mitigated by the relatively small size of individual loans and the dispersion of borrowers across the residential communities served.

**Home Equity:** Home equity loans and lines of credit are typically secured by a subordinate lien on one-to-four family residential properties. Repayment is primarily dependent upon the borrowers' financial capacity and may be adversely affected by unemployment levels, changes in residential property values, and other economic conditions within the relevant market areas. Although the Company has historically offered these products on a nationwide basis, credit risk is evaluated based on borrower characteristics, collateral valuation, and lien position.

**Other Consumer:** These loans primarily consist of secured consumer credit products, including loans collateralized by horse trailers or recreational vehicles. Some other consumer loans also includes credit cards and unsecured loans, such as small installment loans, home improvement loans and certain lines of credit. Repayment performance is dependent on borrowers' personal income and overall financial condition, which may be adversely affected by economic factors such as unemployment levels and broader market conditions. Risk is partially mitigated by the presence of collateral, the relatively small loan size and broad distribution of individual exposures across the markets served.

### **ACL Methodology**

The ACL for loans represents management's estimate of all expected credit losses over the expected life of the Company's existing loan portfolio. Management estimates the ACL balance using relevant available information about the collectability of cash flows, from internal and external sources, including historical information relating to past events, current conditions, and reasonable and supportable forecasts of future economic conditions. When the Company is unable to forecast future economic events, management may revert to historical information.

The Company's methodologies incorporate a one-year reasonable and supportable forecast period with a one-year straight line reversion to the long-term historical average for most segments.

The ACL methodology may also consider other adjustments to address changes in conditions, trends, and circumstances such as local industry changes that could have a significant impact on the risk profile of the loan portfolio and provide for adjustments that may not be reflected and/or captured in the historical loss data. These factors include: lending policies, imprecision in forecasting future economic conditions, loan profile, lending staff, problem loan trends, loan review, collateral, credit concentration, or other internal and external factors. The Company includes these as qualitative adjustments to the ACL which include, but are not limited to:

- Changes in lending policies and procedures, including changes in underwriting standards and collections, charge-offs and recovery practices
- Changes in international, national, regional and local economic conditions
- Changes in the nature and volume of the portfolio and terms of loans
- Changes in the experience, depth and ability of lending management
- Changes in the volume and severity of past due loans and other similar conditions
- Changes in the quality of the Company's loan review system
- Changes in the value of underlying collateral for collateral dependent loans
- The existence and effect of any concentrations of credit and changes in the levels of such concentrations
- The effect of other external factors (e.g. competition, legal and regulatory requirements) on the level of estimated credit losses

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The ACL is measured on a collective or pool basis when similar risk characteristics exist. The Company segments its portfolio generally by Federal Financial Institutions Examination Council ("FFIEC") Call Report codes that align with its lines of business. Additional sub-segmentation has not been utilized to identify groups of loans with unique risk characteristics relative to the rest of the portfolio.

Loans that do not share similar risk characteristics are evaluated on an individual basis. These evaluations are typically performed on loans with a deteriorated internal risk rating. The ACL is determined based on several methods, including estimating the fair value of the underlying collateral or the present value of expected cash flows.

The Company relies on a third-party platform that offers multiple methodologies to measure historical life-of-loan losses.

#### **Modified Loans to Borrowers Experiencing Financial Difficulty**

The Company may make modifications to certain loans in order to alleviate temporary difficulties in the borrower's financial condition and/or constraints on the borrower's ability to repay the loan, and to minimize potential losses to the Company. Modifications may include changes in the amortization terms of the loan, other-than-insignificant payment delays, reductions in interest rates, acceptance of interest only payments, and/or reductions to the outstanding loan balance. Such loans may be placed on nonaccrual status when there is doubt concerning the full repayment of principal and interest or the loan has been delinquent for a period of 90 days or more. These loans may be returned to accrual status when all contractual amounts past due have been brought current, and the borrower's performance under the modified terms of the loan agreement and the ultimate collectability of all contractual amounts due under the modified terms is no longer in doubt. The Company typically measures the ACL on modified loans to borrowers experiencing financial difficulty on an individual basis when the loans are deemed to no longer share risk characteristics that are similar with other loans in the portfolio. The calculation of the ACL for these loans is based on a discounted cash flow approach for both those measured collectively and individually, unless the loan is deemed collateral dependent, which requires measurement of the ACL based on the estimated expected fair value of the underlying collateral, less costs to sell. GAAP requires the Company to make certain disclosures related to these loans, including certain types of modifications, as well as how such loans have performed since their modifications.

#### **Provision for Credit Losses**

A provision for estimated losses on loans is charged to income based upon management's evaluation of the potential losses. Such an evaluation, which includes a review of all loans for which full repayment may not be reasonably assured, considers, among other matters, the estimated net realizable value of the underlying collateral, as applicable, economic conditions, loan loss experience, and other factors that are particularly susceptible to changes that could result in a material adjustment in the near term. While management attempts to use the best information available in making its evaluations, future ACL adjustments may be necessary if conditions change substantially from the assumptions used in making the evaluations.

#### **Policy for Charging Off Loans**

The Company's policy is to charge off a loan at any point in time when it no longer can be considered a bankable asset, meaning collectible within the parameters of policy. A secured loan is generally charged down to the estimated fair value of the collateral, less costs to sell, no later than when it is 120 days past due as to principal or interest. An unsecured loan generally is charged off no later than when it is 180 days past due as to principal or interest. A home improvement loan generally is charged off no later than when it is 90 days past due as to principal or interest.

The following tables present changes in the balance of the ACL during the twelve months ended December 31, 2025, 2024 and 2023, respectively.

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**Twelve Months Ended December 31, 2025**

| <b>Allowance for credit losses:</b>   | <b>Balance,<br/>Beginning of<br/>Period</b> | <b>Provision<br/>(Credit)<br/>Charged to<br/>Expense</b> | <b>Charge-Offs</b> | <b>Recoveries</b> | <b>Balance, End of<br/>Period</b> |
|---------------------------------------|---|--|--------------------|-------------------|-----------------------------------|
| Commercial and industrial             | \$ 1,265                                    | \$ 809   | \$ (153)           | \$ 21             | \$ 1,942                          |
| Owner-occupied commercial real estate | 528   | (264)  | —                  | —                 | 264                               |
| Investor commercial real estate       | 1,149                                       | 1,106  | —                  | —                 | 2,255                             |
| Construction                          | 1,984                                       | 462  | —                  | —                 | 2,446                             |
| Single tenant lease financing         | 4,782                                       | (3,966)  | —                  | —                 | 816                               |
| Public finance                        | 703   | (292)  | —                  | —                 | 411                               |
| Healthcare finance                    | 1,412                                       | (807)  | —                  | —                 | 605                               |
| Small business lending                | 16,161                                      | 49,604   | (39,650)           | 1,681             | 27,796                            |
| Franchise finance                     | 8,976                                       | 26,712   | (21,754)           | 94                | 14,028                            |
| Residential mortgage                  | 2,136                                       | 62   | (75)               | 19                | 2,142                             |
| Home equity                           | 106   | (75)   | —                  | 7                 | 38                                |
| Other consumer                        | 5,567                                       | (1,430)  | (1,457)            | 263               | 2,943                             |
| <b>Total</b>                          | <b>\$ 44,769</b>                            | <b>\$ 71,921</b>   | <b>\$ (63,089)</b> | <b>\$ 2,085</b>   | <b>\$ 55,686</b>                  |

The ACL was established based on historical loss experience, current conditions, and reasonable and supportable economic forecasts. These inputs did not indicate emerging credit deterioration within the small business lending or franchise finance portfolios as of December 31, 2024. However, during 2025, credit performance in these portfolios declined at a pace that exceeded prior expectations, resulting in higher-than-anticipated charge-offs. In response to the observed deterioration, the Company increased the allowance allocated to these loan segments and implemented more stringent underwriting and lending standards to address the heightened credit risk.

**Twelve Months Ended December 31, 2024**

| <b>Allowance for credit losses:</b>   | <b>Balance,<br/>Beginning of<br/>Period</b> | <b>(Credit)<br/>Provision<br/>Charged to<br/>Expense</b> | <b>Charge-Offs</b> | <b>Recoveries</b> | <b>Balance, End of<br/>Period</b> |
|---------------------------------------|---|--|--------------------|-------------------|-----------------------------------|
| Commercial and industrial             | \$ 2,185                                    | \$ (928)   | \$ —               | \$ 8              | \$ 1,265                          |
| Owner-occupied commercial real estate | 825   | (297)  | —                  | —                 | 528                               |
| Investor commercial real estate       | 1,311                                       | (162)  | —                  | —                 | 1,149                             |
| Construction                          | 2,167                                       | (183)  | —                  | —                 | 1,984                             |
| Single tenant lease financing         | 8,129                                       | (3,152)  | (195)              | —                 | 4,782                             |
| Public finance                        | 1,372                                       | (669)  | —                  | —                 | 703                               |
| Healthcare finance                    | 1,976                                       | (564)  | —                  | —                 | 1,412                             |
| Small business lending                | 6,532                                       | 19,745   | (10,441)           | 325               | 16,161                            |
| Franchise finance                     | 6,363                                       | 4,079  | (1,466)            | —                 | 8,976                             |
| Residential mortgage                  | 2,054                                       | 240  | (159)              | 1                 | 2,136                             |
| Home equity                           | 171   | (72)   | —                  | 7                 | 106                               |
| Other consumer                        | 5,689                                       | 778  | (1,009)            | 109               | 5,567                             |
| <b>Total</b>                          | <b>\$ 38,774</b>                            | <b>\$ 18,815</b>   | <b>\$ (13,270)</b> | <b>\$ 450</b>     | <b>\$ 44,769</b>                  |

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**Twelve Months Ended December 31, 2023**

| <b>Allowance for credit losses:</b>   | <b>Balance,<br/>Beginning of<br/>Period</b> | <b>Adoption of<br/>CECL</b> | <b>Provision<br/>(Credit)<br/>Charged to<br/>Expense</b> | <b>Losses<br/>Charged Off</b> | <b>Recoveries</b> | <b>Balance,<br/>End of<br/>Period</b> |
|---------------------------------------|---|-----------------------------|--|-------------------------------|-------------------|---------------------------------------|
| Commercial and industrial             | \$ 1,711                                    | \$ (120)                    | \$ 7,400   | \$ (7,049)                    | \$ 243            | \$ 2,185                              |
| Owner-occupied commercial real estate | 651   | 62                          | 112  | —                             | —                 | 825                                   |
| Investor commercial real estate       | 1,099                                       | (191)                       | 994  | (591)                         | —                 | 1,311                                 |
| Construction                          | 2,074                                       | (435)                       | 528  | —                             | —                 | 2,167                                 |
| Single tenant lease financing         | 10,519                                      | (346)                       | (2,044)  | —                             | —                 | 8,129                                 |
| Public finance                        | 1,753                                       | (135)                       | (246)  | —                             | —                 | 1,372                                 |
| Healthcare finance                    | 2,997                                       | 1,034                       | (1,450)  | (605)                         | —                 | 1,976                                 |
| Small business lending                | 2,168                                       | 334                         | 6,539  | (2,586)                       | 77                | 6,532                                 |
| Franchise finance                     | 3,988                                       | (313)                       | 3,019  | (331)                         | —                 | 6,363                                 |
| Residential mortgage                  | 1,559                                       | 406                         | 224  | (140)                         | 5                 | 2,054                                 |
| Home equity                           | 69  | 133                         | (37)   | —                             | 6                 | 171                                   |
| Other consumer                        | 3,149                                       | 2,533                       | 415  | (582)                         | 174               | 5,689                                 |
| <b>Total</b>                          | <b>\$ 31,737</b>                            | <b>\$ 2,962</b>             | <b>\$ 15,454</b>   | <b>\$ (11,884)</b>            | <b>\$ 505</b>     | <b>\$ 38,774</b>                      |

Accrued interest receivable on loans totaled \$23.1 million and \$23.8 million at December 31, 2025 and December 31, 2024, respectively, and is excluded from the estimate of credit losses. The Company made the accounting policy election to not measure an ACL for accrued interest receivable. Accrued interest deemed uncollectible will be written off through interest income.

In addition to the ACL, the Company maintains a reserve for off-balance sheet commitments, classified in other liabilities. This reserve is at a level management believes to be sufficient to absorb losses arising from unfunded loan commitments. The adequacy of the reserve for unfunded commitments is determined quarterly based on methodology similar to the methodology for determining the ACL. The following tables details activity in the provision for credit losses on off-balance sheet commitments for the twelve months ended December 31, 2025, 2024 and 2023.

|   | <b>Balance<br/>December 31, 2024</b> | <b>(Benefit) Provision<br/>for Credit Losses</b> | <b>Balance<br/>December 31, 2025</b> |
|---|--------------------------------------|--|--------------------------------------|
| Off-balance sheet commitments                     |                                      |  |                                      |
| Commercial loans                                  |                                      |  |                                      |
| Commercial and industrial                         | \$ 233                               | \$ (56)  | \$ 177                               |
| Owner-occupied commercial real estate             | 11                                   | (11)   | —                                    |
| Investor commercial real estate                   | 1                                    | 35   | 36                                   |
| Construction                                      | 1,568                                | 691  | 2,259                                |
| Single tenant lease financing                     | 19                                   | (18)   | 1                                    |
| Small business lending                            | 263                                  | (151)  | 112                                  |
| Total commercial loans                            | <u>2,095</u>                         | <u>490</u>                                       | <u>2,585</u>                         |
| Consumer loans                                    |                                      |  |                                      |
| Residential mortgage                              | 1                                    | (1)  | —                                    |
| Home equity                                       | 35                                   | (35)   | —                                    |
| Other consumer                                    | 8                                    | (8)  | —                                    |
| Total consumer loans                              | <u>44</u>                            | <u>(44)</u>                                      | <u>—</u>                             |
| Total allowance for off-balance sheet commitments | <u>\$ 2,139</u>                      | <u>\$ 446</u>                                    | <u>\$ 2,585</u>                      |

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|   | Balance<br>December 31, 2023 | Provision (Benefit)<br>for Credit Losses | Balance<br>December 31, 2024 |
|---|------------------------------|--|------------------------------|
| Off-balance sheet commitments                     |                              |  |                              |
| Commercial loans                                  |                              |  |                              |
| Commercial and industrial                         | \$ 233                       | \$ —                                     | \$ 233                       |
| Owner-occupied commercial real estate             | 9                            | 2  | 11                           |
| Investor commercial real estate                   | 6                            | (5)                                      | 1                            |
| Construction                                      | 2,889                        | (1,321)                                  | 1,568                        |
| Single tenant lease financing                     | —                            | 19                                       | 19                           |
| Small business lending                            | 541                          | (278)                                    | 263                          |
| Total commercial loans                            | <u>3,678</u>                 | <u>(1,583)</u>                           | <u>2,095</u>                 |
| Consumer loans                                    |                              |  |                              |
| Residential mortgage                              | 11                           | (10)                                     | 1                            |
| Home equity                                       | 45                           | (10)                                     | 35                           |
| Other consumer                                    | 11                           | (3)                                      | 8                            |
| Total consumer loans                              | <u>67</u>                    | <u>(23)</u>                              | <u>44</u>                    |
| Total allowance for off-balance sheet commitments | <u>\$ 3,745</u>              | <u>\$ (1,606)</u>                        | <u>\$ 2,139</u>              |

|   | Pre-ASC 326<br>Adoption | Impact of ASC<br>326 Adoption | (Benefit)<br>Provision for<br>Credit Losses | Balance<br>December 31,<br>2023 |
|---|-------------------------|-------------------------------|---|---------------------------------|
| Off-balance sheet commitments                     |                         |                               |   |                                 |
| Commercial loans                                  |                         |                               |   |                                 |
| Commercial and industrial                         | \$ —                    | \$ 110                        | \$ 123                                      | \$ 233                          |
| Owner-occupied commercial real estate             | —                       | —                             | 9   | 9                               |
| Investor commercial real estate                   | —                       | 9                             | (3)   | 6                               |
| Construction                                      | —                       | 2,193                         | 696   | 2,889                           |
| Healthcare finance                                | —                       | 2                             | (2)   | —                               |
| Small business lending                            | —                       | —                             | 541   | 541                             |
| Total commercial loans                            | <u>—</u>                | <u>2,314</u>                  | <u>1,364</u>                                | <u>3,678</u>                    |
| Consumer loans                                    |                         |                               |   |                                 |
| Residential mortgage                              | —                       | 127                           | (116)                                       | 11                              |
| Home equity                                       | —                       | 52                            | (7)   | 45                              |
| Other consumer                                    | —                       | 11                            | —   | 11                              |
| Total consumer loans                              | <u>—</u>                | <u>190</u>                    | <u>(123)</u>                                | <u>67</u>                       |
| Total allowance for off-balance sheet commitments | <u>\$ —</u>             | <u>\$ 2,504</u>               | <u>\$ 1,241</u>                             | <u>\$ 3,745</u>                 |

The Company utilizes a risk grading matrix to assign a risk grade to each of its commercial loans, which are evaluated on a continual basis. A description of the general characteristics of the risk grades is as follows:

- “Pass” - Higher quality loans that do not fit any of the other categories described below.
- “Special Mention” - Loans that possess some credit deficiency or potential weakness which deserve close attention.
- “Substandard” - Loans that possess a defined weakness or weaknesses that jeopardize the liquidation of the debt. Loans that are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected. Loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any.

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- “Doubtful” - Such loans have been placed on nonaccrual status and may be heavily dependent upon collateral possessing a value that is difficult to determine or based upon some near-term event which lacks clear certainty. These loans have all of the weaknesses of those classified as Substandard; however, based on existing conditions, these weaknesses make full collection of the principal balance highly improbable.

The Company does not risk grade its consumer loans. It classifies them as either performing or nonperforming. Below is a description of those classifications:

- “Performing” - Loans that are accruing and full collection of principal and interest is expected.
- “Nonperforming” - Loans that are 90 days delinquent or for which the full collection of principal and interest may be in doubt.

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The following table presents the credit risk profile of the Company's commercial and consumer loan portfolios by loan class and by year of origination for the years indicated based on rating category and payment activity as of December 31, 2025 and December 31, 2024

|  | December 31, 2025                                     |           |          |           |        |           |           | Revolving<br>loans<br>amortized<br>cost basis | Revolving<br>loans<br>converted<br>to term | Total |
|--|---|-----------|----------|-----------|--------|-----------|-----------|---|--|-------|
|  | Term Loans (amortized cost basis by origination year) |           |          |           |        |           |           |   |  |       |
|  | 2025  | 2024      | 2023     | 2022      | 2021   | Prior     |           |   |  |       |
| <b>Commercial and industrial</b>             |   |           |          |           |        |           |           |   |  |       |
| Pass   | \$ 91,592   | \$ 18,608 | \$ 6,984 | \$ 10,450 | \$ 530 | \$ 14,152 | \$ 60,071 | \$ —  | \$ 202,387                                 |       |
| Special Mention                              | 177   | 256       | —        | 4,746     | 4,237  | —         | 9,671     | —   | 19,087                                     |       |
| Substandard                                  | 64  | 38        | 138      | —         | —      | —         | —         | —   | 240  |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total commercial and industrial              | 91,833  | 18,902    | 7,122    | 15,196    | 4,767  | 14,152    | 69,742    | —   | 221,714                                    |       |
| Year-to-date gross charge-offs               | 94  | 59        | —        | —         | —      | —         | —         | —   | 153  |       |
| <b>Owner-occupied commercial real estate</b> |   |           |          |           |        |           |           |   |  |       |
| Pass   | 4,159   | 6,202     | 1,421    | 5,174     | 4,155  | 15,966    | —         | —   | 37,077                                     |       |
| Special Mention                              | —   | —         | —        | —         | 852    | 8,991     | —         | —   | 9,843                                      |       |
| Substandard                                  | —   | —         | —        | —         | —      | 1,655     | —         | —   | 1,655                                      |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total owner-occupied commercial real estate  | 4,159   | 6,202     | 1,421    | 5,174     | 5,007  | 26,612    | —         | —   | 48,575                                     |       |
| Year-to-date gross charge-offs               | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| <b>Investor commercial real estate</b>       |   |           |          |           |        |           |           |   |  |       |
| Pass   | 61,333  | 80,798    | 195,528  | 179,155   | 91,708 | 35,141    | —         | —   | 643,663                                    |       |
| Special Mention                              | —   | —         | —        | —         | —      | 3,731     | —         | —   | 3,731                                      |       |
| Substandard                                  | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total investor commercial real estate        | 61,333  | 80,798    | 195,528  | 179,155   | 91,708 | 38,872    | —         | —   | 647,394                                    |       |
| Year-to-date gross charge-offs               | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| <b>Construction</b>                          |   |           |          |           |        |           |           |   |  |       |
| Pass   | 65,190  | 147,941   | 132,835  | 23,114    | —      | 2,042     | 1,546     | —   | 372,668                                    |       |
| Special Mention                              | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Substandard                                  | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total construction                           | 65,190  | 147,941   | 132,835  | 23,114    | —      | 2,042     | 1,546     | —   | 372,668                                    |       |
| Year-to-date gross charge-offs               | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| <b>Single tenant lease financing</b>         |   |           |          |           |        |           |           |   |  |       |
| Pass   | 144,764   | 1,370     | 1,007    | 10,377    | 2,021  | 29,524    | —         | —   | 189,063                                    |       |
| Special Mention                              | —   | —         | —        | 18,628    | 4,168  | 9,401     | —         | —   | 32,197                                     |       |
| Substandard                                  | —   | —         | —        | —         | —      | 1,665     | —         | —   | 1,665                                      |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total single tenant lease financing          | 144,764   | 1,370     | 1,007    | 29,005    | 6,189  | 40,590    | —         | —   | 222,925                                    |       |
| Year-to-date gross charge-offs               | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| <b>Public finance</b>                        |   |           |          |           |        |           |           |   |  |       |
| Pass   | 44,077  | 11,119    | —        | 5,301     | 10,385 | 369,442   | —         | —   | 440,324                                    |       |
| Special Mention                              | —   | —         | —        | —         | —      | 1,910     | —         | —   | 1,910                                      |       |
| Substandard                                  | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Doubtful                                     | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |
| Total public finance                         | 44,077  | 11,119    | —        | 5,301     | 10,385 | 371,352   | —         | —   | 442,234                                    |       |
| Year-to-date gross charge-offs               | —   | —         | —        | —         | —      | —         | —         | —   | —  |       |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
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|                                      | Term Loans (amortized cost basis by origination year) |            |            |            |            |            | Revolving<br>loans<br>amortized<br>cost basis | Revolving<br>loans<br>converted<br>to term | Total        |
|--------------------------------------|---|------------|------------|------------|------------|------------|---|--|--------------|
|                                      | 2025  | 2024       | 2023       | 2022       | 2021       | Prior      |   |  |              |
| Healthcare finance                   |   |            |            |            |            |            |   |  |              |
| Pass                                 | —   | —          | —          | —          | 7,317      | 128,623    | —   | —  | 135,940      |
| Special Mention                      | —   | —          | —          | —          | —          | 933        | —   | —  | 933          |
| Substandard                          | —   | —          | —          | —          | —          | 2,596      | —   | —  | 2,596        |
| Doubtful                             | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Total healthcare finance             | —   | —          | —          | —          | 7,317      | 132,152    | —   | —  | 139,469      |
| Year-to-date gross charge-offs       | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Small business lending               |   |            |            |            |            |            |   |  |              |
| Pass                                 | 152,566   | 103,270    | 62,754     | 21,651     | 7,851      | 13,779     | 27,048  | —  | 388,919      |
| Special Mention                      | —   | 7,519      | 5,276      | 514        | —          | 1,475      | 1,953   | —  | 16,737       |
| Substandard                          | —   | 5,838      | 11,637     | 1,315      | 270        | 1,416      | 3,892   | —  | 24,368       |
| Doubtful                             | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Total small business lending         | 152,566   | 116,627    | 79,667     | 23,480     | 8,121      | 16,670     | 32,893  | —  | 430,024      |
| Year-to-date gross charge-offs       | 400   | 16,668     | 17,755     | 2,821      | 1,087      | 919        | —   | —  | 39,650       |
| Franchise finance                    |   |            |            |            |            |            |   |  |              |
| Pass                                 | 718   | 56,732     | 172,080    | 120,012    | 29,064     | —          | —   | —  | 378,606      |
| Special Mention                      | 510   | 628        | 3,351      | 6,972      | —          | —          | —   | —  | 11,461       |
| Substandard                          | —   | 1,281      | 6,831      | 10,877     | 7,989      | —          | —   | —  | 26,978       |
| Doubtful                             | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Total franchise finance              | 1,228   | 58,641     | 182,262    | 137,861    | 37,053     | —          | —   | —  | 417,045      |
| Year-to-date gross charge-offs       | —   | 370        | 7,664      | 9,576      | 4,144      | —          | —   | —  | 21,754       |
| Consumer loans                       |   |            |            |            |            |            |   |  |              |
| Residential mortgage                 |   |            |            |            |            |            |   |  |              |
| Performing                           | 4,770   | 6,271      | 10,901     | 163,760    | 78,631     | 73,883     | —   | —  | 338,216      |
| Nonperforming                        | —   | —          | —          | 2,721      | 597        | 1,576      | —   | —  | 4,894        |
| Total residential mortgage           | 4,770   | 6,271      | 10,901     | 166,481    | 79,228     | 75,459     | —   | —  | 343,110      |
| Year-to-date gross charge-offs       | —   | —          | —          | 75         | —          | —          | —   | —  | 75           |
| Home equity                          |   |            |            |            |            |            |   |  |              |
| Performing                           | —   | —          | 628        | 1,009      | 187        | 761        | 11,330  | 810  | 14,725       |
| Nonperforming                        | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Total home equity                    | —   | —          | 628        | 1,009      | 187        | 761        | 11,330  | 810  | 14,725       |
| Year-to-date gross charge-offs       | —   | —          | —          | —          | —          | —          | —   | —  | —            |
| Other consumer                       |   |            |            |            |            |            |   |  |              |
| Performing                           | 98,688  | 85,148     | 77,999     | 72,978     | 26,284     | 63,224     | 903   | —  | 425,224      |
| Nonperforming                        | —   | 96         | 84         | 9          | 34         | 11         | —   | —  | 234          |
| Total other consumer                 | 98,688  | 85,244     | 78,083     | 72,987     | 26,318     | 63,235     | 903   | —  | 425,458      |
| Year-to-date gross charge-offs       | 79  | 279        | 491        | 189        | 31         | 388        | —   | —  | 1,457        |
| Total Loans                          | \$ 668,608  | \$ 533,115 | \$ 689,454 | \$ 658,763 | \$ 276,280 | \$ 781,897 | \$ 116,414                                    | \$ 810                                     | \$ 3,725,341 |
| Total year-to-date gross charge-offs | \$ 573  | \$ 17,376  | \$ 25,910  | \$ 12,661  | \$ 5,262   | \$ 1,307   | \$ —  | \$ —                                       | \$ 63,089    |

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|   | Term Loans (amortized cost basis by origination year) |          |           |          |          |           | Revolving<br>loans<br>amortized<br>cost basis | Revolving<br>loans<br>converted<br>to term | Total      |
|---|---|----------|-----------|----------|----------|-----------|---|--|------------|
|   | 2024  | 2023     | 2022      | 2021     | 2020     | Prior     |   |  |            |
|   | Commercial and industrial                             |          |           |          |          |           |   |  |            |
| Pass  | \$ 23,539   | \$ 8,501 | \$ 13,853 | \$ 5,418 | \$ 2,362 | \$ 17,829 | \$ 44,000                                     | \$ —                                       | \$ 115,502 |
| Special Mention                             | 47  | 164      | 4,462     | —        | —        | —         | —   | —  | 4,673      |
| Substandard                                 | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total Commercial and industrial             | 23,586  | 8,665    | 18,315    | 5,418    | 2,362    | 17,829    | 44,000  | —  | 120,175    |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Owner-occupied commercial real estate       |   |          |           |          |          |           |   |  |            |
| Pass  | 7,410   | 1,458    | 5,366     | 6,438    | 5,716    | 14,793    | —   | —  | 41,181     |
| Special Mention                             | —   | —        | 570       | 888      | 8,144    | 1,153     | —   | —  | 10,755     |
| Substandard                                 | —   | —        | —         | —        | —        | 1,655     | —   | —  | 1,655      |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total owner-occupied commercial real estate | 7,410   | 1,458    | 5,936     | 7,326    | 13,860   | 17,601    | —   | —  | 53,591     |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Investor commercial real estate             |   |          |           |          |          |           |   |  |            |
| Pass  | 71,430  | 3,849    | 88,290    | 65,050   | 9,607    | 27,474    | —   | —  | 265,700    |
| Special Mention                             | —   | —        | —         | —        | —        | 3,731     | —   | —  | 3,731      |
| Substandard                                 | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total investor commercial real estate       | 71,430  | 3,849    | 88,290    | 65,050   | 9,607    | 31,205    | —   | —  | 269,431    |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Construction                                |   |          |           |          |          |           |   |  |            |
| Pass  | 35,177  | 186,979  | 140,299   | 47,598   | 1,622    | —         | 1,848   | —  | 413,523    |
| Special Mention                             | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Substandard                                 | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total construction                          | 35,177  | 186,979  | 140,299   | 47,598   | 1,622    | —         | 1,848   | —  | 413,523    |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Single tenant lease financing               |   |          |           |          |          |           |   |  |            |
| Pass  | 79,872  | 46,674   | 211,005   | 88,192   | 63,506   | 437,564   | —   | —  | 926,813    |
| Special Mention                             | 644   | —        | 9,696     | 3,460    | —        | 9,135     | —   | —  | 22,935     |
| Substandard                                 | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total single tenant lease financing         | 80,516  | 46,674   | 220,701   | 91,652   | 63,506   | 446,699   | —   | —  | 949,748    |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | 195       | —   | —  | 195        |
| Public finance                              |   |          |           |          |          |           |   |  |            |
| Pass  | 55,306  | 1,290    | 7,790     | 12,050   | 463      | 407,008   | —   | —  | 483,907    |
| Special Mention                             | —   | —        | —         | —        | —        | 1,960     | —   | —  | 1,960      |
| Substandard                                 | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Doubtful                                    | —   | —        | —         | —        | —        | —         | —   | —  | —          |
| Total public finance                        | 55,306  | 1,290    | 7,790     | 12,050   | 463      | 408,968   | —   | —  | 485,867    |
| Year-to-date gross charge-offs              | —   | —        | —         | —        | —        | —         | —   | —  | —          |

**First Internet Bancorp**  
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|                                      | Term Loans (amortized cost basis by origination year) |            |            |            |            |              | Revolving<br>loans<br>amortized<br>cost basis | Revolving<br>loans<br>converted<br>to term | Total        |
|--------------------------------------|---|------------|------------|------------|------------|--------------|---|--|--------------|
|                                      | 2024  | 2023       | 2022       | 2021       | 2020       | Prior        |   |  |              |
| <b>Healthcare finance</b>            |   |            |            |            |            |              |   |  |              |
| Pass                                 | —   | —          | —          | 8,969      | 104,427    | 67,413       | —   | —  | 180,809      |
| Special Mention                      | —   | —          | —          | —          | —          | 618          | —   | —  | 618          |
| Substandard                          | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| Doubtful                             | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| Total healthcare finance             | —   | —          | —          | 8,969      | 104,427    | 68,031       | —   | —  | 181,427      |
| Year-to-date gross charge-offs       | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| <b>Small business lending</b>        |   |            |            |            |            |              |   |  |              |
| Pass                                 | 138,044   | 94,556     | 30,486     | 11,715     | 9,687      | 9,896        | 17,197  | —  | 311,581      |
| Special Mention                      | 1,022   | 4,691      | 927        | —          | 354        | 1,213        | 697   | —  | 8,904        |
| Substandard                          | 2,940   | 3,909      | 1,457      | 258        | 970        | 1,001        | 894   | —  | 11,429       |
| Doubtful                             | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| Total small business lending         | 142,006   | 103,156    | 32,870     | 11,973     | 11,011     | 12,110       | 18,788  | —  | 331,914      |
| Year-to-date gross charge-offs       | 1,093   | 4,600      | 3,038      | 567        | 619        | 524          | —   | —  | 10,441       |
| <b>Franchise finance</b>             |   |            |            |            |            |              |   |  |              |
| Pass                                 | 67,065  | 230,425    | 172,830    | 42,869     | —          | —            | —   | —  | 513,189      |
| Special Mention                      | —   | 1,978      | 5,084      | 6,275      | —          | —            | —   | —  | 13,337       |
| Substandard                          | —   | 3,543      | 6,367      | 473        | —          | —            | —   | —  | 10,383       |
| Doubtful                             | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| Total franchise finance              | 67,065  | 235,946    | 184,281    | 49,617     | —          | —            | —   | —  | 536,909      |
| Year-to-date gross charge-offs       | —   | 1,171      | —          | 295        | —          | —            | —   | —  | 1,466        |
| <b>Consumer loans</b>                |   |            |            |            |            |              |   |  |              |
| <b>Residential mortgage</b>          |   |            |            |            |            |              |   |  |              |
| Performing                           | 3,577   | 13,533     | 183,484    | 86,213     | 28,655     | 55,615       | —   | —  | 371,077      |
| Nonperforming                        | —   | —          | 1,671      | 609        | 69         | 1,734        | —   | —  | 4,083        |
| Total residential mortgage           | 3,577   | 13,533     | 185,155    | 86,822     | 28,724     | 57,349       | —   | —  | 375,160      |
| Year-to-date gross charge-offs       | —   | —          | 101        | 58         | —          | —            | —   | —  | 159          |
| <b>Home equity</b>                   |   |            |            |            |            |              |   |  |              |
| Performing                           | —   | 992        | 1,450      | 356        | 414        | 530          | 13,621  | 911  | 18,274       |
| Nonperforming                        | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| Total home equity                    | —   | 992        | 1,450      | 356        | 414        | 530          | 13,621  | 911  | 18,274       |
| Year-to-date gross charge-offs       | —   | —          | —          | —          | —          | —            | —   | —  | —            |
| <b>Other consumer</b>                |   |            |            |            |            |              |   |  |              |
| Performing                           | 101,965   | 97,832     | 88,872     | 33,177     | 20,918     | 64,251       | 870   | —  | 407,885      |
| Nonperforming                        | —   | —          | 38         | 11         | 1          | 12           | —   | —  | 62           |
| Total other consumer                 | 101,965   | 97,832     | 88,910     | 33,188     | 20,919     | 64,263       | 870   | —  | 407,947      |
| Year-to-date gross charge-offs       | 157   | 242        | 300        | 127        | 1          | 182          | —   | —  | 1,009        |
| Total Loans                          | \$ 588,038  | \$ 700,374 | \$ 973,997 | \$ 420,019 | \$ 256,915 | \$ 1,124,585 | \$ 79,127                                     | \$ 911                                     | \$ 4,143,966 |
| Total year-to-date gross charge-offs | \$ 1,250  | \$ 6,013   | \$ 3,439   | \$ 1,047   | \$ 620     | \$ 901       | \$ —  | \$ —                                       | \$ 13,270    |

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The following tables present the Company's loan portfolio delinquency analysis, including nonaccrual loans, as of December 31, 2025 and December 31, 2024.

|                                       | <b>December 31, 2025</b>           |                                    |   |                           |                    |                        |
|---------------------------------------|------------------------------------|------------------------------------|---|---------------------------|--------------------|------------------------|
|                                       | <b>30-59<br/>Days<br/>Past Due</b> | <b>60-89<br/>Days<br/>Past Due</b> | <b>90 Days<br/>or More<br/>Past Due</b> | <b>Total<br/>Past Due</b> | <b>Current</b>     | <b>Total<br/>loans</b> |
| Commercial and industrial             | \$ 515                             | \$ 200                             | \$ —                                    | \$ 715                    | \$ 220,999         | \$ 221,714             |
| Owner-occupied commercial real estate | —                                  | —                                  | —                                       | —                         | 48,575             | 48,575                 |
| Investor commercial real estate       | —                                  | —                                  | —                                       | —                         | 647,394            | 647,394                |
| Construction                          | —                                  | —                                  | —                                       | —                         | 372,668            | 372,668                |
| Single tenant lease financing         | —                                  | —                                  | —                                       | —                         | 222,925            | 222,925                |
| Public finance                        | —                                  | —                                  | —                                       | —                         | 442,234            | 442,234                |
| Healthcare finance                    | —                                  | —                                  | 1,150                                   | 1,150                     | 138,319            | 139,469                |
| Small business lending                | 20,325                             | 4,277                              | 9,445                                   | 34,047                    | 395,977            | 430,024                |
| Franchise finance                     | 11,641                             | 1,110                              | 24,912                                  | 37,663                    | 379,382            | 417,045                |
| Residential mortgage                  | —                                  | 3,079                              | 4,622                                   | 7,701                     | 335,409            | 343,110                |
| Home equity                           | —                                  | —                                  | —                                       | —                         | 14,725             | 14,725                 |
| Other consumer                        | 243                                | 102                                | 141                                     | 486                       | 424,972            | 425,458                |
| Total                                 | <u>\$ 32,724</u>                   | <u>\$ 8,768</u>                    | <u>\$ 40,270</u>                        | <u>\$ 81,762</u>          | <u>\$3,643,579</u> | <u>\$3,725,341</u>     |

|                                       | <b>December 31, 2024</b>           |                                    |   |                           |                    |                        |
|---------------------------------------|------------------------------------|------------------------------------|---|---------------------------|--------------------|------------------------|
|                                       | <b>30-59<br/>Days<br/>Past Due</b> | <b>60-89<br/>Days<br/>Past Due</b> | <b>90 Days<br/>or More<br/>Past Due</b> | <b>Total<br/>Past Due</b> | <b>Current</b>     | <b>Total<br/>loans</b> |
| Commercial and industrial             | \$ —                               | \$ —                               | \$ —                                    | \$ —                      | \$ 120,175         | \$ 120,175             |
| Owner-occupied commercial real estate | —                                  | —                                  | —                                       | —                         | 53,591             | 53,591                 |
| Investor commercial real estate       | —                                  | —                                  | —                                       | —                         | 269,431            | 269,431                |
| Construction                          | —                                  | —                                  | —                                       | —                         | 413,523            | 413,523                |
| Single tenant lease financing         | —                                  | —                                  | —                                       | —                         | 949,748            | 949,748                |
| Public finance                        | —                                  | —                                  | —                                       | —                         | 485,867            | 485,867                |
| Healthcare finance                    | —                                  | —                                  | —                                       | —                         | 181,427            | 181,427                |
| Small business lending                | 11,817                             | 1,310                              | 5,587                                   | 18,714                    | 313,200            | 331,914                |
| Franchise finance                     | 9,431                              | 3,279                              | 9,849                                   | 22,559                    | 514,350            | 536,909                |
| Residential mortgage                  | 648                                | 1,711                              | 3,815                                   | 6,174                     | 368,986            | 375,160                |
| Home equity                           | —                                  | —                                  | —                                       | —                         | 18,274             | 18,274                 |
| Other consumer                        | 194                                | 196                                | 27                                      | 417                       | 407,530            | 407,947                |
| Total                                 | <u>\$ 22,090</u>                   | <u>\$ 6,496</u>                    | <u>\$ 19,278</u>                        | <u>\$ 47,864</u>          | <u>\$4,096,102</u> | <u>\$4,143,966</u>     |

Loans are reclassified to non-accruing status when, in management's judgment, the collateral value and financial condition of the borrower do not justify accruing interest. At the time the accrual is discontinued, all unpaid accrued interest is reversed against earnings. Interest income accrued in prior years, if any, is charged to the ACL. Payments subsequently received on nonaccrual loans are applied to principal. A loan is returned to accrual status when principal and interest are no longer past due and collectability is probable, typically after a minimum of nine consecutive months of performance.

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The following table summarizes the Company's nonaccrual loans and loans past due 90 days or more and still accruing by loan class for the periods indicated:

|                               | December 31, 2025            |   |   | December 31, 2024            |   |   |
|-------------------------------|------------------------------|---|---|------------------------------|---|---|
|                               | Total<br>Nonaccrual<br>Loans | Nonaccrual<br>Loans with no<br>Allowance for<br>Credit Losses | Total Loans<br>90 Days or<br>More Past<br>Due and<br>Accruing | Total<br>Nonaccrual<br>Loans | Nonaccrual<br>Loans with no<br>Allowance for<br>Credit Losses | Total Loans<br>90 Days or<br>More Past<br>Due and<br>Accruing |
| Commercial and industrial     | \$ 240                       | \$ —  | \$ —  | \$ —                         | \$ —  | \$ —  |
| Single tenant lease financing | 1,665                        | —   | —   | —                            | —   | —   |
| Healthcare finance            | 2,596                        | 2,596   | —   | —                            | —   | —   |
| Small business lending        | 19,781                       | 18,928  | —   | 11,429                       | 4,778   | 1,320   |
| Franchise finance             | 26,978                       | 4,463   | 1,144   | 10,382                       | —   | —   |
| Residential mortgage          | 4,893                        | 4,893   | 1,007   | 4,083                        | 4,083   | 1,142   |
| Other consumer                | 234                          | 234   | —   | 61                           | 61  | 4   |
| Total loans                   | \$ 56,387                    | \$ 31,114   | \$ 2,151  | \$ 25,955                    | \$ 8,922  | \$ 2,466  |

<sup>1</sup> Balances include \$13.6 million and \$4.9 million that are guaranteed by the U.S. government as of December 31, 2025 and December 31, 2024, respectively.

There was \$2.4 million and \$0.7 million in interest income recognized on nonaccrual loans for the twelve months ended December 31, 2025 and December 31, 2024, respectively.

Determining fair value for collateral dependent loans requires obtaining a current independent appraisal of the collateral and applying a discount factor, which includes selling costs if applicable, to the value. The fair value of real estate is generally based on appraisals by qualified licensed appraisers. The appraisers typically determine the value of the real estate by utilizing an income or market valuation approach. If an appraisal is not available, the fair value may be determined by using a cash flow analysis. Fair value on other collateral such as business assets is typically ascertained by assessing, either singularly or some combination of, asset appraisals, accounts receivable aging reports, inventory listings and/or customer financial statements. Both appraised values and values based on borrower's financial information are discounted as considered appropriate based on age and quality of the information and current market conditions.

The following tables present the amortized cost basis of collateral dependent loans, which are individually evaluated to determine expected credit losses as of December 31, 2025 and December 31, 2024.

|                                       | December 31, 2025         |                            |   |           |  |
|---------------------------------------|---------------------------|----------------------------|---|-----------|--|
|                                       | Commercial<br>Real Estate | Residential<br>Real Estate | Other (Includes<br>Equipment,<br>Machinery and<br>Other Assets) | Total     | Allowance on<br>Collateral<br>Dependent<br>Loans |
| Owner-occupied commercial real estate | \$ 1,654                  | \$ —                       | \$ —  | \$ 1,654  | \$ —   |
| Small business lending <sup>1</sup>   | 6,732                     | —                          | 7,681   | 14,413    | 411  |
| Residential mortgage                  | —                         | 4,893                      | —   | 4,893     | —  |
| Other consumer loans                  | —                         | —                          | 234   | 234       | —  |
| Total loans                           | \$ 8,386                  | \$ 4,893                   | \$ 7,915  | \$ 21,194 | \$ 411   |

<sup>1</sup> Balance includes \$8.5 million of loans guaranteed by the U.S. government.

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|                                       | Commercial<br>Real Estate | Residential<br>Real Estate | Other (Includes<br>Equipment,<br>Machinery and<br>Other Assets) | Total            | Allowance on<br>Collateral<br>Dependent<br>Loans |
|---------------------------------------|---------------------------|----------------------------|---|------------------|--|
| Owner-occupied commercial real estate | \$ 1,654                  | \$ —                       | \$ —  | \$ 1,654         | \$ —   |
| Small business lending <sup>1</sup>   | 723                       | —                          | 8,571   | 9,294            | 4,167  |
| Franchise finance                     | —                         | —                          | 3,468   | 3,468            | 679  |
| Residential mortgage                  | —                         | 4,083                      | —   | 4,083            | —  |
| Other consumer loans                  | —                         | —                          | 22  | 22               | —  |
| Total loans                           | <u>\$ 2,377</u>           | <u>\$ 4,083</u>            | <u>\$ 12,061</u>  | <u>\$ 18,521</u> | <u>\$ 4,846</u>                                  |

<sup>1</sup> Balance includes \$3.5 million of loans guaranteed by the U.S. government.

***Loan Modifications to Borrowers Experiencing Financial Difficulty***

The Company may agree to modify the contractual terms of a loan to a borrower experiencing financial difficulty as a part of ongoing loss mitigation strategies. These modifications may include interest rate reductions, principal or interest forgiveness, other-than-insignificant payment delays, term extensions and other actions intended to minimize loss and to avoid foreclosure or repossession of collateral.

The Company had twelve loan modifications made to borrowers experiencing financial difficulty during the twelve months ended December 31, 2025. The Company had five loan modifications made to borrowers experiencing financial difficulty during the twelve months ended December 31, 2024.

The following tables present loans that were both experiencing financial difficulty and modified during the twelve months ended December 31, 2025 and December 31, 2024.

**Twelve Months Ended December 31, 2025**

|                               | Other-Than-<br>Insignificant<br>Payment Delay | Total Modification<br>by Loan Class | % of Class of Loans |
|-------------------------------|---|-------------------------------------|---------------------|
| Commercial and industrial     | \$ 350  | \$ 350                              | 0.2 %               |
| Single tenant lease financing | 4,672   | 4,672                               | 2.1 %               |
| Healthcare finance            | 2,726   | 2,726                               | 2.0 %               |
| Small business lending        | 3,022   | 3,022                               | 0.7 %               |
| Franchise finance             | 510   | 510                                 | 0.1 %               |
| Total loans                   | <u>\$ 11,280</u>                              | <u>\$ 11,280</u>                    |                     |

**Twelve Months Ended December 31, 2024**

|                                 | Other-Than-<br>Insignificant<br>Payment Delay | Total Modification<br>by Loan Class | % of Class of Loans |
|---------------------------------|---|-------------------------------------|---------------------|
| Investor commercial real estate | \$ 3,731                                      | \$ 3,731                            | 1.4 %               |
| Franchise finance               | 5,566   | 5,566                               | 1.0 %               |
| Total loans                     | <u>\$ 9,297</u>                               | <u>\$ 9,297</u>                     |                     |

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The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following tables present the performance of such loans that have been modified in the last twelve months as of December 31, 2025 and December 31, 2024.

|                               | <b>Twelve Months Ended December 31, 2025</b> |                                  |                              |
|-------------------------------|--|----------------------------------|------------------------------|
|                               | <b>Current</b>                               | <b>30 - 89 Days<br/>Past Due</b> | <b>90+ Days<br/>Past Due</b> |
| Commercial and industrial     | \$ 350                                       | \$ —                             | \$ —                         |
| Single tenant lease financing | 4,672  | —                                | —                            |
| Healthcare finance            | 1,280  | 1,446                            | —                            |
| Small business lending        | 3,022  | —                                | —                            |
| Franchise finance             | 510  | —                                | —                            |
| Total loans                   | \$ 9,834                                     | \$ 1,446                         | \$ —                         |

|                                 | <b>Twelve Months Ended December 31, 2024</b> |                                  |                              |
|---------------------------------|--|----------------------------------|------------------------------|
|                                 | <b>Current</b>                               | <b>30 - 89 Days<br/>Past Due</b> | <b>90+ Days<br/>Past Due</b> |
| Investor commercial real estate | \$ 3,731                                     | \$ —                             | \$ —                         |
| Franchise finance               | 5,566  | —                                | —                            |
| Total loans                     | \$ 9,297                                     | \$ —                             | \$ —                         |

***Other Real Estate Owned***

The Company had \$2.6 million in other real estate owned (“OREO”) as of December 31, 2025, which consisted of three small business lending properties. The Company had \$0.3 million in other real estate owned (“OREO”) as of December 31, 2024, which consisted of one residential mortgage property. There were eight loans totaling \$2.5 million and nine loans totaling \$2.1 million, in the process of foreclosure at December 31, 2025 and December 31, 2024, respectively.

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**Note 5: Premises and Equipment**

The following table summarizes premises and equipment at December 31, 2025 and 2024.

|                                | December 31,     |                  |
|--------------------------------|------------------|------------------|
|                                | 2025             | 2024             |
| Land                           | \$ 5,598         | \$ 5,598         |
| Construction in process        | 17               | 20               |
| Right of use leased asset      | 88               | 188              |
| Building and improvements      | 63,382           | 63,069           |
| Furniture and equipment        | 22,818           | 22,047           |
| Less: accumulated depreciation | (23,969)         | (19,469)         |
|                                | <u>\$ 67,934</u> | <u>\$ 71,453</u> |

**Note 6: Goodwill**

As of December 31, 2025 and 2024, the carrying amount of goodwill was \$4.7 million. There have been no changes in the carrying amount of goodwill for the three years ended December 31, 2025, 2024 and 2023. Goodwill is assessed for impairment annually as of August 31, or more frequently if events occur or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, first, a qualitative assessment can be made to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its estimated carrying value. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. Alternatively, a quantitative goodwill test can be performed without performing a qualitative assessment.

Goodwill was assessed for impairment using a quantitative test performed as of August 31, 2025. The estimated fair value of the reporting unit exceeded the net carrying value, and therefore no goodwill impairment existed as of that date. However, there is a risk for impairment in the event of declines in general economic, market or business conditions and the resultant effect on forecasted growth rates, or any significant unfavorable change in the Company's forecasted operations resulting from elevated levels of net charge-offs in the franchise finance and small business lending portfolios. If current and long-term projections decrease materially, the Company may be required to recognize impairment charges, which could be material to the results of operations.

**Note 7: Servicing Asset**

Activity for the servicing asset and the related changes in fair value for the twelve months ended December 31, 2025, 2024 and 2023 are shown in the table below.

|   | Twelve Months Ended |                   |                   |
|---|---------------------|-------------------|-------------------|
|   | December 31, 2025   | December 31, 2024 | December 31, 2023 |
| Beginning balance   | \$ 16,389           | \$ 10,567         | \$ 6,255          |
| Additions:  |                     |                   |                   |
| Originated <sup>1</sup>   | 11,870              | 8,359             | 5,775             |
| Subtractions:   |                     |                   |                   |
| Paydowns  | (4,297)             | (3,005)           | (1,842)           |
| Changes in fair value due to changes in valuation inputs or assumptions used in the valuation model | (1,169)             | 468               | 379               |
| Loan servicing asset revaluation  | (5,466)             | (2,537)           | (1,463)           |
| Ending balance  | <u>\$ 22,793</u>    | <u>\$ 16,389</u>  | <u>\$ 10,567</u>  |

<sup>1</sup> Balance includes \$4.1 million of originated servicing asset related to the sale of single tenant lease financing loans sold during 2025.

Loans serviced for others are not included in the consolidated balance sheets. The unpaid principal balances of these loans serviced for others as of December 31, 2025, 2024 and 2023 are shown in the table below.

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|                               | December 31, 2025   | December 31, 2024 | December 31, 2023 |
|-------------------------------|---------------------|-------------------|-------------------|
| Loan portfolios serviced for: |                     |                   |                   |
| SBA guaranteed loans          | \$ 1,120,553        | \$ 862,089        | \$ 531,927        |
| Single tenant lease financing | 825,207             | —                 | —                 |
| Total                         | <u>\$ 1,945,760</u> | <u>\$ 862,089</u> | <u>\$ 531,927</u> |

Loan servicing revenue totaled \$8.7 million, \$6.2 million and \$3.8 million during the twelve months ended December 31, 2025, 2024 and 2023, respectively. Loan servicing asset revaluation, which represents paydowns and the change in fair value of the servicing asset, resulted in a \$5.5 million, \$2.5 million and \$1.5 million downward valuation for the twelve months ended December 31, 2025, 2024 and 2023, respectively.

The fair value of servicing rights is highly sensitive to changes in underlying assumptions. Though fluctuations in prepayment speeds and changes in secondary market premiums generally have the most substantial impact on the fair value of servicing rights, other influencing factors include changing economic conditions, changes to the discount rate assumption and the weighted average life of the servicing portfolio. Measurement of fair value is limited to the conditions existing and the assumptions used as of a particular point in time; however, those assumptions may change over time. Refer to Note 16 - Fair Value of Financial Instruments for further details.

**Note 8: Deposits**

The following table presents the composition of the Company's deposit base as of December 31, 2025 and 2024.

|                                  | December 31,        |                     |
|----------------------------------|---------------------|---------------------|
|                                  | 2025                | 2024                |
| Noninterest-bearing deposits     | \$ 146,879          | \$ 136,451          |
| Interest-bearing demand deposits | 1,120,850           | 896,661             |
| Savings accounts                 | 18,991              | 19,823              |
| Money market accounts            | 1,272,845           | 1,183,789           |
| Certificates of deposits         | 2,004,909           | 2,133,455           |
| Brokered deposits                | 275,339             | 563,027             |
| Total deposits                   | <u>\$ 4,839,813</u> | <u>\$ 4,933,206</u> |
| Time deposits greater than \$250 | \$ 605,255          | \$ 776,788          |

The following table presents time deposit maturities by year as of December 31, 2025.

|            | Certificates of Deposits | Brokered Certificates of Deposits |
|------------|--------------------------|-----------------------------------|
| 2026       | \$ 1,277,614             | \$ 103,975                        |
| 2027       | 242,709                  | 41,299                            |
| 2028       | 167,036                  | 1,142                             |
| 2029       | 300,319                  | —                                 |
| 2030       | 17,231                   | —                                 |
| Thereafter | —                        | —                                 |
|            | <u>\$ 2,004,909</u>      | <u>\$ 146,416</u>                 |

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**Note 9: FHLB Advances**

The Company had outstanding FHLB advances of \$249.5 million and \$295.0 million as of December 31, 2025 and 2024, respectively. As of December 31, 2025, the stated interest rates on the Company’s outstanding FHLB advances ranged from 0% to 4.16%, with a weighted average interest rate of 3.56%. All advances are collateralized by residential mortgage loans and commercial real estate loans pledged and held by the Company and investment securities pledged by the Company and held in safekeeping with the FHLB. Residential mortgage loans pledged were approximately \$322.9 million and \$334.3 million as of December 31, 2025 and 2024, respectively, and commercial real estate loans pledged were approximately \$115.0 million and \$930.7 million as of December 31, 2025 and 2024, respectively. The fair value of investment securities pledged to the FHLB was approximately \$835.2 million and \$795.0 million as of December 31, 2025 and 2024, respectively. Based on this collateral and the Company’s holding of FHLB stock, the Company is eligible to borrow up to an additional \$815.2 million at year-end 2025. As of December 31, 2025, the Company had \$150.0 million of putable advance structures with the FHLB in which the FHLB holds a one-time option to put certain advances on a stated exercise date prior to maturity. Among the Company’s putable advance structures, none have passed their one-time exercise date, with the next exercise date occurring in 2027.

The Company’s FHLB advances are shown below by their contractual maturity dates. Actual maturities may differ due to the putable advance structures discussed above.

|            | <b>Amount</b> |
|------------|---------------|
| 2026       | \$ 10,000     |
| 2027       | 54,500        |
| 2028       | 35,000        |
| 2029       | —             |
| 2030       | —             |
| Thereafter | 150,000       |
|            | \$ 249,500    |

**Note 10: Subordinated Debt**

In June 2019, the Company issued \$37.0 million aggregate principal amount of 6.0% Fixed-to-Floating Rate Subordinated Notes due 2029 (the “2029 Notes”) in a public offering. The 2029 Notes bear interest at a floating rate equal to three-month Term SOFR plus 4.376%. All interest on the 2029 Notes is payable quarterly. The 2029 Notes are scheduled to mature on June 30, 2029. The 2029 Notes are unsecured subordinated obligations of the Company and may be repaid at any time, without penalty. The 2029 Notes are intended to qualify as Tier 2 capital under regulatory guidelines.

In October 2020, the Company entered into a term loan in the principal amount of \$10.0 million, evidenced by a term note due 2030 (the “2030 Note”). The 2030 Note initially accrued interest at a fixed rate of 6.0% per year to, but excluding, November 1, 2025, and thereafter at a floating rate equal to three-month Term SOFR plus 5.795%. The 2030 Note is scheduled to mature on November 1, 2030. The 2030 Note is an unsecured subordinated obligation of the Company and may be repaid, without penalty, on any interest payment date on or after November 1, 2025. The 2030 Note is intended to qualify as Tier 2 capital under regulatory guidelines. The Company used the net proceeds from the issuance of the 2030 Note to redeem a subordinated term note that had been entered into in October 2015.

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In August 2021, the Company issued \$60.0 million aggregate principal amount of 3.75% Fixed-to-Floating Rate Subordinated Notes due 2031 (the “2031 Notes”) in a private placement. The 2031 Notes initially bear a fixed interest rate of 3.75% per year to, but excluding, September 1, 2026, and thereafter at a floating rate equal to the then-current benchmark rate (initially three-month Term SOFR plus 3.11%). The 2031 Notes are scheduled to mature on September 1, 2031. The 2031 Notes are unsecured subordinated obligations of the Company and may be repaid, without penalty, on any interest payment date on or after September 1, 2026. The 2031 Notes are intended to qualify as Tier 2 capital under regulatory guidelines. The Company used a portion of the net proceeds from the issuance of the 2031 Notes to redeem subordinated notes issued by the Company in 2016. Pursuant to the terms of a Registration Rights Agreement between the Company and the initial purchasers of the 2031 Notes, the Company offered to exchange the 2031 Notes for subordinated notes that are registered under the Securities Act of 1933, as amended, and have substantially the same terms as the 2031 Notes. On December 30, 2021, we completed an exchange of \$59.3 million principal amount of the unregistered 2031 Notes for registered 2031 Notes in satisfaction of our obligations under the registration rights agreement. Holders of \$0.7 million of unregistered 2031 Notes did not participate in the exchange.

The following table presents the principal balance and unamortized discount and debt issuance costs for the 2029 Notes, the 2030 Note and the 2031 Notes as of December 31, 2025 and 2024.

|            | December 31, 2025 |   | December 31, 2024 |   |
|------------|-------------------|---|-------------------|---|
|            | Principal         | Unamortized<br>Discount and<br>Debt Issuance<br>Costs | Principal         | Unamortized<br>Discount and<br>Debt Issuance<br>Costs |
| 2029 Notes | \$ 37,000         | \$ (546)  | \$ 37,000         | \$ (703)  |
| 2030 Note  | 10,000            | (114)   | 10,000            | (137)   |
| 2031 Notes | 60,000            | (875)   | 60,000            | (1,010)   |
| Total      | \$ 107,000        | \$ (1,535)  | \$ 107,000        | \$ (1,850)  |

**Note 11: Benefit Plans**

***401(k) Plan***

The Company has a 401(k) plan established for substantially all full-time and part-time employees, as defined in the plan. Employee contributions are limited to the maximum established by the Internal Revenue Service on an annual basis. The Company has elected to match contributions equal to 100% up to the first 2% of employee deferrals and 50% for employee deferrals above 2% up to a maximum of 6%, equating to a maximum match of 4% of an individual’s eligible earnings, as defined in the plan. Contributions totaled approximately \$1.4 million, \$1.1 million and \$0.9 million for the twelve months ended December 31, 2025, 2024 and 2023, respectively.

***Employment Agreements***

The Company is party to certain employment agreements with each of its Chief Executive Officer, President and Chief Operating Officer and Executive Vice President and Chief Financial Officer. The employment agreements each provide for annual base salaries and annual bonuses, if any, as determined from time to time by the Compensation Committee of our Board of Directors. The annual bonuses are to be determined with reference to the achievement of annual performance objectives established by the Compensation Committee. The agreements also provide that each of the Chief Executive Officer, President and Chief Operating Officer and Executive Vice President and Chief Financial Officer, may be awarded additional compensation, benefits, or consideration as the Compensation Committee may determine.

The agreements also provide for the continuation of salary and certain other benefits for a specified period of time upon termination of employment under certain circumstances, including resignation for “good reason,” termination by the Company without “cause” at any time or any termination of employment within twelve months following a “change in control,” along with other specific conditions.

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**2022 Equity Incentive Plan**

The First Internet Bancorp 2022 Equity Incentive Plan (the “2022 Plan”) was approved by our Board of Directors and ratified by our shareholders on May 16, 2022. The plan permits awards of incentive and non-statutory stock options, stock appreciation rights, restricted stock awards, stock unit awards, performance awards and other stock-based awards. All employees, consultants and advisors of the Company or any subsidiary, as well as all non-employee directors of the Company, are eligible to receive awards under the 2022 Plan. The 2022 Plan initially authorized the issuance of 400,000 new shares of the Company’s common stock plus all shares of common stock that remained available for future grants under the First Internet Bancorp 2013 Equity Incentive Plan (the “2013 Plan”). Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock at grant date. Forfeitures are recognized as they occur.

**Award Activity Under 2022 Plan**

The Company recorded \$1.2 million, \$1.5 million, and \$0.8 million of share-based compensation expense for the years ended December 31, 2025, 2024 and 2023, respectively, related to stock-based awards under the 2022 Plan.

The following table summarizes the stock-based award activity under the 2022 Plan for the year ended December 31, 2025.

|                               | Restricted<br>Stock Units | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Share | Restricted<br>Stock Awards | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Share | Deferred<br>Stock Units | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Unit |
|-------------------------------|---------------------------|---|----------------------------|---|-------------------------|--|
| Unvested at January 1, 2025   | 130,748                   | \$ 24.35  | 12,040                     | \$ 31.46  | —                       | \$ —   |
| Granted                       | 54,948                    | 34.72   | 16,009                     | 24.72   | —                       | —  |
| Vested                        | (28,192)                  | 24.32   | (12,404)                   | 31.46   | —                       | —  |
| Unvested at December 31, 2025 | <u>157,504</u>            | <u>\$ 27.97</u>   | <u>16,009</u>              | <u>\$ 24.72</u>   | <u>—</u>                | <u>\$ —</u>  |

At December 31, 2025, the total unrecognized compensation cost related to unvested stock-based awards was \$2.1 million with a weighted-average expense recognition period of 1.6 years.

**2013 Equity Incentive Plan**

The 2013 Plan authorized the issuance of 750,000 shares of the Company’s common stock in the form of stock-based awards to employees, directors, and other eligible persons. No awards under the 2013 Plan remain outstanding and our authority to grant new awards under the 2013 Plan terminated upon shareholder approval of the 2022 Plan. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock at grant date. Forfeitures are recognized as they occur.

**Award Activity Under 2013 Plan**

The Company recorded less than \$0.1 million, \$0.3 million and \$0.4 million of share-based compensation expense for the years ended December 31, 2025, 2024 and 2023, respectively, related to stock-based awards under the 2013 Plan.

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The following table summarizes the stock-based award activity under the 2013 Plan for the year ended December 31, 2025:

|                               | Restricted<br>Stock Units | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Share | Restricted<br>Stock Awards | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Share | Deferred<br>Stock Units | Weighted-<br>Average<br>Grant Date<br>Fair Value<br>Per Unit |
|-------------------------------|---------------------------|---|----------------------------|---|-------------------------|--|
| Unvested at January 1, 2025   | 22,997                    | \$ 46.71  | —                          | \$ —  | —                       | \$ —   |
| Forfeited                     | (15,126)                  | 46.71   | —                          | —   | —                       | —  |
| Vested                        | (7,871)                   | 46.71   | —                          | —   | —                       | —  |
| Unvested at December 31, 2025 | <u>—</u>                  | \$ —  | <u>—</u>                   | \$ —  | <u>—</u>                | \$ —   |

At December 31, 2025, there were no unrecognized compensation costs related to unvested stock-based awards under the 2013 Plan.

***Directors Deferred Stock Plan***

Until January 2014, the Company had a practice of granting awards under a stock compensation plan for members of the Board of Directors (“Directors Deferred Stock Plan”). The Company reserved 180,000 shares of common stock that could have been issued pursuant to the Directors Deferred Stock Plan. The plan provided directors the option to elect to receive up to 100% of their annual retainer in either common stock or deferred stock rights. Deferred stock rights were to be settled in common stock following the end of the deferral period payable on the basis of one share of common stock for each deferred stock right.

The following table summarizes the status of deferred stock rights related to the Directors Deferred Stock Plan for the year ended December 31, 2025.

|                                | <b>Deferred Rights</b> |
|--------------------------------|------------------------|
| Outstanding, beginning of year | 28,821                 |
| Granted                        | 192                    |
| Outstanding, end of year       | <u>29,013</u>          |

All deferred stock rights granted during 2025 were additional rights issued in lieu of cash dividends payable on outstanding deferred stock rights.

**Note 12: Income Taxes**

The provision for income taxes consists of the following:

|          | December 31,       |                 |                   |
|----------|--------------------|-----------------|-------------------|
|          | 2025               | 2024            | 2023              |
| Current  | \$ 2,395           | \$ 3,623        | \$ 876            |
| Deferred | (18,096)           | (1,357)         | (4,353)           |
| Total    | <u>\$ (15,701)</u> | <u>\$ 2,266</u> | <u>\$ (3,477)</u> |

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In December 2023, the FASB issued ASU 2023-09, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of our effective tax rates to statutory rates. The Company adopted ASU 2023-09 on a prospective basis for the year ended December 31, 2025.

|  | <b>December 31, 2025</b> |                |
|--|--------------------------|----------------|
|  | <b>Amount</b>            | <b>Percent</b> |
| U.S. federal statutory tax rate                                    | \$ (10,682)              | (21.0%)        |
| State and local income tax, net of federal tax effect <sup>1</sup> | (1,189)                  | (2.3%)         |
| Effect of:   |                          |                |
| Tax credits  | (206)                    | (0.4%)         |
| Nontaxable or nondeductible items:                                 |                          |                |
| Income from tax-exempt securities and loans                        | (3,497)                  | (6.9%)         |
| Other  | (127)                    | (0.3%)         |
| Total  | <u>\$ (15,701)</u>       | <u>(30.9%)</u> |

<sup>1</sup> The states that contribute to the majority (greater than 50%) of the tax effect in the category include Indiana and Florida for 2025.

The reconciliation of taxes at the federal statutory rate to our provision for income taxes for the years ended December 31, 2024 and 2023, in accordance with the guidance prior to the adoption of ASU 2023-09, was as follows:

|   | <b>December 31,</b> |                   |
|---|---------------------|-------------------|
|   | <b>2024</b>         | <b>2023</b>       |
| Statutory rate times pre-tax income         | \$ 5,784            | \$ 1,037          |
| (Subtract) add the tax effect of:           |                     |                   |
| Income from tax-exempt securities and loans | (3,500)             | (3,951)           |
| State income tax, net of federal tax effect | 47                  | (30)              |
| Bank-owned life insurance                   | (262)               | (215)             |
| Tax credits                                 | (110)               | (168)             |
| Other differences                           | 307                 | (150)             |
| Total income taxes                          | <u>\$ 2,266</u>     | <u>\$ (3,477)</u> |

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The net deferred tax asset at December 31, 2025 and 2024 consists of the following:

|   | December 31,     |                  |
|---|------------------|------------------|
|   | 2025             | 2024             |
| Deferred tax assets (liabilities)                                       |                  |                  |
| Allowance for credits losses  | \$ 13,181        | \$ 10,824        |
| Net unrealized losses on available-for-sale securities and hedged items | 6,013            | 9,753            |
| Fair value adjustments  | (11,575)         | (14,002)         |
| Depreciation  | (3,526)          | (4,168)          |
| Deferred compensation and accrued payroll                               | 939              | 1,486            |
| Loan origination costs  | (1,550)          | (1,533)          |
| Prepaid assets  | (1,365)          | (916)            |
| Net operating loss  | 22,453           | 9,962            |
| Tax credits   | 2,459            | 1,956            |
| Other   | 482              | (309)            |
| Total deferred tax assets, net  | <u>\$ 27,511</u> | <u>\$ 13,053</u> |

As of December 31, 2025 and 2024 the Company had federal net operating loss (“NOL”) carryforwards of approximately \$102.0 million and \$54.0 million, respectively, and state NOL carryforwards of \$31.9 million and \$0, respectively. For federal income tax purposes, the NOL has no expiration period; however, for state income tax purposes, the NOL may have varying expiration periods. The Company expects to generate sufficient taxable income in the future to utilize the loss generated.

As of December 31, 2025 the Company had general business credits of \$2.0 million that will begin expiring in 2043 and qualified zone academy bonds credits of \$0.2 million that will begin expiring in 2026. The Company has state tax credits of \$0.3 million that will begin expiring in 2027.

**Note 13: Related Party Transactions**

In the normal course of business, the Company may enter into transactions with various related parties. In management’s opinion, such loans, other extensions of credit, and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management’s opinion, these loans did not involve more than the normal risk of collectability or present other unfavorable features.

Related party loans and extensions of credit at December 31, 2025 and 2024 totaled \$49.1 million and \$47.7 million, respectively.

The following table presents the change in related party loans as of December 31, 2025 and 2024.

|  | Twelve Months Ended |                   |
|--|---------------------|-------------------|
|  | December 31, 2025   | December 31, 2024 |
| Balance at the beginning of period               | \$ 47,671           | \$ 45,926         |
| New loans and advances                           | 1,875               | 1,753             |
| Repayment of loans                               | (458)               | (13)              |
| Changes in balances of revolving lines of credit | (6)                 | 5                 |
| Balance at end of period                         | <u>\$ 49,082</u>    | <u>\$ 47,671</u>  |

Deposits from related parties held by the Company at December 31, 2025 and 2024 totaled \$41.5 million and \$31.9 million, respectively.

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**Note 14: Regulatory Capital Requirements**

The Company and the Bank are subject to various regulatory capital requirements administered by state and federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weighting and other factors.

The Basel III Capital Rules became effective for the Company and the Bank on January 1, 2015, subject to a phase-in period for certain provisions. Quantitative measures established by the Basel III Capital Rules to ensure capital adequacy require the maintenance of minimum amounts and ratios of Common Equity Tier 1 capital, Tier 1 capital and Total capital, as defined in the regulations, to risk-weighted assets, and of Tier 1 capital to adjusted quarterly average assets (“Leverage Ratio”).

The Basel III Capital Rules were fully phased in on January 1, 2019 and require the Company and the Bank to maintain: 1) a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 4.5%, plus a 2.5% “capital conservation buffer” (resulting in a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 7.0%); 2) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, plus the capital conservation buffer (resulting in a minimum Tier 1 capital ratio of 8.5%); 3) a minimum ratio of Total capital to risk-weighted assets of 8.0%, plus the capital conservation buffer (resulting in a minimum Total capital ratio of 10.5%); and 4) a minimum Leverage Ratio of 4.0%.

The capital conservation buffer is designed to absorb losses during periods of economic stress. Failure to maintain the minimum Common Equity Tier 1 capital ratio plus the capital conservation buffer will result in potential restrictions on a banking institution’s ability to pay dividends, repurchase stock and/or pay discretionary compensation to its employees.

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The following tables present actual and required capital ratios as of December 31, 2025 and 2024 for the Company and the Bank under the Basel III Capital Rules. The minimum required capital amounts presented include the minimum required capital levels as of December 31, 2025 and 2024 based on the Basel III Capital Rules. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Capital Rules.

As permitted by the federal banking regulatory agencies, the Company has elected the option to delay the impact of the day one adoption of ASC 326. The transition adjustment of \$4.5 million is phased into the regulatory capital calculations over a three-year period, with 25% of the adjustment recognized in 2023, 50% of the adjustment recognized in 2024, 75% of the adjustment recognized in 2025 and 100% of the adjustment recognized in 2026.

|  | Actual         |         | Minimum Capital Required - Basel III |         | Minimum Required to be Considered Well Capitalized |         |
|--|----------------|---------|--------------------------------------|---------|--|---------|
|  | Capital Amount | Ratio   | Capital Amount                       | Ratio   | Capital Amount                                     | Ratio   |
| As of December 31, 2025:                             |                |         |                                      |         |  |         |
| Common equity tier 1 capital to risk-weighted assets |                |         |                                      |         |  |         |
| Consolidated   | \$ 350,350     | 8.97 %  | \$ 273,335                           | 7.00 %  | N/A  | N/A     |
| Bank   | 420,963        | 10.83 % | 272,045                              | 7.00 %  | \$ 252,613   | 6.50 %  |
| Tier 1 capital to risk-weighted assets               |                |         |                                      |         |  |         |
| Consolidated   | 350,350        | 8.97 %  | 331,907                              | 8.50 %  | N/A  | N/A     |
| Bank   | 420,963        | 10.83 % | 330,340                              | 8.50 %  | 310,908  | 8.00 %  |
| Total capital to risk-weighted assets                |                |         |                                      |         |  |         |
| Consolidated   | 488,170        | 12.50 % | 410,003                              | 10.50 % | N/A  | N/A     |
| Bank   | 469,649        | 12.08 % | 408,067                              | 10.50 % | 388,635  | 10.00 % |
| Leverage ratio                                       |                |         |                                      |         |  |         |
| Consolidated   | 350,350        | 6.24 %  | 224,566                              | 4.00 %  | N/A  | N/A     |
| Bank   | 420,963        | 7.53 %  | 223,717                              | 4.00 %  | 279,646  | 5.00 %  |
|  |                |         |                                      |         |  |         |
|  | Actual         |         | Minimum Capital Required - Basel III |         | Minimum Required to be Considered Well Capitalized |         |
|  | Capital Amount | Ratio   | Capital Amount                       | Ratio   | Capital Amount                                     | Ratio   |
| As of December 31, 2024:                             |                |         |                                      |         |  |         |
| Common equity tier 1 capital to risk-weighted assets |                |         |                                      |         |  |         |
| Consolidated   | \$ 400,100     | 9.30 %  | \$ 301,052                           | 7.00 %  | N/A  | N/A     |
| Bank   | 475,793        | 11.11 % | 299,774                              | 7.00 %  | \$ 278,362   | 6.50 %  |
| Tier 1 capital to risk-weighted assets               |                |         |                                      |         |  |         |
| Consolidated   | 400,100        | 9.30 %  | 365,563                              | 8.50 %  | N/A  | N/A     |
| Bank   | 475,793        | 11.11 % | 364,012                              | 8.50 %  | 342,599  | 8.00 %  |
| Total capital to risk-weighted assets                |                |         |                                      |         |  |         |
| Consolidated   | 542,808        | 12.62 % | 451,578                              | 10.50 % | N/A  | N/A     |
| Bank   | 520,610        | 12.16 % | 449,662                              | 10.50 % | 428,249  | 10.00 % |
| Leverage ratio                                       |                |         |                                      |         |  |         |
| Consolidated   | 400,100        | 6.90 %  | 232,011                              | 4.00 %  | N/A  | N/A     |
| Bank   | 475,793        | 8.23 %  | 231,331                              | 4.00 %  | 289,164  | 5.00 %  |

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**Note 15: Commitments and Credit Risk**

In the normal course of business, the Company makes various commitments to extend credit which are not reflected in the accompanying consolidated financial statements. At December 31, 2025 and 2024, the Company had outstanding loan commitments totaling approximately \$617.6 million and \$667.7 million, respectively.

**Note 16: Fair Value of Financial Instruments**

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASU Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy.

***Available-for-Sale Securities***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Company did not own any securities classified within Level 1 of the hierarchy as of December 31, 2025 or December 31, 2024.

Level 2 securities include U.S. Government-sponsored agencies, municipal securities, mortgage and asset-backed securities and corporate securities. Matrix pricing is a mathematical technique widely used in the banking industry to value investment securities.

In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Fair values are calculated using discounted cash flows. Discounted cash flows are calculated based off of the anticipated future cash flows updated to incorporate loss severities. Rating agency and industry research reports as well as default and deferral activity are reviewed and incorporated into the calculation. The Company did not own any securities classified within Level 3 of the hierarchy as of December 31, 2025 or December 31, 2024.

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***Servicing Asset***

Fair value is based on a loan-by-loan basis taking into consideration the origination dates of the loans, the current age of the loans and the remaining term to maturity. The valuation methodology utilized for the servicing asset begins with generating estimated future cash flows for each servicing asset based on its unique characteristics and market-based assumptions for prepayment speeds and costs to service. The present value of the future cash flows is then calculated utilizing market-based discount rate assumptions (Level 3).

***Interest Rate Swap Agreements Back-to-Back***

The Company offers interest rate swaps to certain loan customers to allow them to hedge the risk of rising interest rates on their variable rate loans. The Company originates a variable rate loan and enters into a variable-to-fixed interest rate contract with the customer. The Company also enters into an offsetting interest rate swap with a correspondent bank. These back-to-back swap agreements are intended to offset each other and allow the Company to originate a variable rate loan, while providing a contract for fixed interest payments for the customer. The net cash flow for the Company is equal to the interest income received from a variable rate loan originated with the customer. The fair value of these derivatives is based on a discounted cash flow approach.

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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024.

|  | <b>December 31, 2025</b>             |   |  |  |
|--|--------------------------------------|---|--|--|
|  | <b>Fair Value Measurements Using</b> |   |  |  |
|  | <b>Fair Value</b>                    | <b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b> | <b>Significant Other Observable Inputs (Level 2)</b> | <b>Significant Unobservable Inputs (Level 3)</b> |
| U.S. Government-sponsored agencies                         | \$ 63,764                            | \$ —  | \$ 63,764  | \$ —   |
| Municipal securities                                       | 63,386                               | —   | 63,386   | —  |
| Agency mortgage-backed securities - residential            | 389,457                              | —   | 389,457  | —  |
| Agency mortgage-backed securities - commercial             | 58,477                               | —   | 58,477   | —  |
| Private label mortgage-backed securities - residential     | 123,673                              | —   | 123,673  | —  |
| Asset-backed securities                                    | 42,553                               | —   | 42,553   | —  |
| Corporate securities                                       | 37,377                               | —   | 37,377   | —  |
| Total available-for-sale securities                        | \$ 778,687                           | \$ —  | \$ 778,687   | \$ —   |
| Servicing asset  | 22,793                               | —   | —  | 22,793   |
| Interest rate swap agreements - assets (back-to-back)      | 210                                  | —   | 210  | —  |
| Interest rate swap agreements - liabilities (back-to-back) | (210)                                | —   | (210)  | —  |

|  | <b>December 31, 2024</b>             |   |  |  |
|--|--------------------------------------|---|--|--|
|  | <b>Fair Value Measurements Using</b> |   |  |  |
|  | <b>Fair Value</b>                    | <b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b> | <b>Significant Other Observable Inputs (Level 2)</b> | <b>Significant Unobservable Inputs (Level 3)</b> |
| U.S. Government-sponsored agencies                         | \$ 82,816                            | \$ —  | \$ 82,816  | \$ —   |
| Municipal securities                                       | 63,654                               | —   | 63,654   | —  |
| Agency mortgage-backed securities - residential            | 269,641                              | —   | 269,641  | —  |
| Agency mortgage-backed securities - commercial             | 63,331                               | —   | 63,331   | —  |
| Private label mortgage-backed securities - residential     | 45,821                               | —   | 45,821   | —  |
| Asset-backed securities                                    | 23,821                               | —   | 23,821   | —  |
| Corporate securities                                       | 38,271                               | —   | 38,271   | —  |
| Total available-for-sale securities                        | \$ 587,355                           | \$ —  | \$ 587,355   | \$ —   |
| Servicing asset  | 16,389                               | —   | —  | 16,389   |
| Interest rate swap agreements - assets (back-to-back)      | 200                                  | —   | 200  | —  |
| Interest rate swap agreements - liabilities (back-to-back) | (200)                                | —   | (200)  | —  |

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The following table reconciles the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs.

|                               | <u>Servicing Asset</u> | <u>Interest Rate Lock<br/>Commitments</u> |
|-------------------------------|------------------------|---|
| Balance as of January 1, 2023 | \$ 6,255               | \$ 133                                    |
| Total realized gains          |                        |   |
| Additions                     | 5,775                  | —   |
| Paydowns                      | (1,842)                | —   |
| Change in fair value          | 379                    | (133)                                     |
| Balance, December 31, 2023    | 10,567                 | —   |
| Total realized gains          |                        |   |
| Additions                     | 8,359                  | —   |
| Paydowns                      | (3,005)                | —   |
| Change in fair value          | 468                    | —   |
| Balance, December 31, 2024    | 16,389                 | —   |
| Total realized gains          |                        |   |
| Additions                     | 11,870                 | —   |
| Paydowns                      | (4,297)                | —   |
| Change in fair value          | (1,169)                | —   |
| Balance, December 31, 2025    | <u>\$ 22,793</u>       | <u>\$ —</u>                               |

The following describes the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis, as well as the general classification of such assets pursuant to the valuation hierarchy.

***Individually Analyzed Collateral Dependent Loans***

Loans for which it is probable that the Company will not collect all principal and interest due according to contractual terms are measured for impairment. The amount of impairment may be determined based on the fair value of the underlying collateral, less costs to sell, the estimated present value of future cash flows, or the loan's observable market price.

If the individually evaluated loan is identified as collateral dependent, the fair value of the underlying collateral, less costs to sell, is used to measure impairment. This method requires obtaining a current independent appraisal of the collateral and applying a discount factor to the value. If the individually evaluated loan is not collateral dependent, the Company utilizes a discounted cash flow analysis to measure impairment.

Individually evaluated loans with a specific valuation allowance based on the value of the underlying collateral or a discounted cash flow analysis are classified as Level 3 assets.

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The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurement falls at December 31, 2025 and December 31, 2024.

|                            | December 31, 2025             |   |   |  |
|----------------------------|-------------------------------|---|---|--|
|                            | Fair Value Measurements Using |   |   |  |
|                            | Fair Value                    | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                            |                               |   |   |  |
| Collateral dependent loans | \$ 336                        | \$ —  | \$ —  | \$ 336   |
| Other real estate owned    | 2,631                         | —   | —   | 2,631  |

|                            | December 31, 2024             |   |   |  |
|----------------------------|-------------------------------|---|---|--|
|                            | Fair Value Measurements Using |   |   |  |
|                            | Fair Value                    | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                            |                               |   |   |  |
| Collateral dependent loans | \$ 4,296                      | \$ —  | \$ —  | \$ 4,296   |

**Significant (Level 3) Inputs**

The following tables present quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements.

|                            | Fair Value at<br>December 31, 2025 | Valuation<br>Technique   | Significant<br>Unobservable<br>Inputs                       | Range     | Weighted-<br>Average Range |
|----------------------------|------------------------------------|--------------------------|---|-----------|----------------------------|
| Collateral dependent loans | \$ 336                             | Fair value of collateral | Discount for type of property and current market conditions | 0% - 40%  | 30.8%                      |
|                            |                                    |                          | Prepayment speeds   | 0% - 25%  | 11.9%                      |
| Servicing asset            | 22,793                             | Discounted cash flow     | Discount rate   | 13% - 15% | 13%                        |
| Other real estate owned    | 2,631                              | Fair value of collateral | Discount to reflect current market conditions               | 30% - 35% | 32%                        |

|                            | Fair Value at<br>December 31, 2024 | Valuation<br>Technique   | Significant<br>Unobservable<br>Inputs                       | Range    | Weighted -<br>Average Range |
|----------------------------|------------------------------------|--------------------------|---|----------|-----------------------------|
| Collateral dependent loans | \$ 4,296                           | Fair value of collateral | Discount for type of property and current market conditions | 0% - 75% | 24.2%                       |
|                            |                                    |                          | Prepayment speeds   | 0% - 25% | 11.7%                       |
| Servicing asset            | 16,389                             | Discounted cash flow     | Discount rate   | 14%      | 14%                         |

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The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value:

***Cash and Cash Equivalents***

For these instruments, the carrying amount is a reasonable estimate of fair value.

***Securities Held-to-Maturity***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Company did not own any securities classified within Level 1 of the hierarchy as of December 31, 2025 or December 31, 2024.

Level 2 securities include agency mortgage-backed securities - residential, municipal securities and corporate securities. Matrix pricing is a mathematical technique widely used in the banking industry to value investment securities.

In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Fair values are calculated using discounted cash flows. Discounted cash flows are calculated based off of the anticipated future cash flows updated to incorporate loss severities. Rating agency and industry research reports as well as default and deferral activity are reviewed and incorporated into the calculation. The Company did not own any securities classified within Level 3 of the hierarchy as of December 31, 2025 or December 31, 2024.

***Loans Held-for-Sale***

For loans that are sold in an active secondary market, the fair value of these loans is estimated based on secondary market price indications for loans with similar interest rate and maturity characteristics. The fair value of other loans held-for-sale approximates carrying value.

***Net Loans***

The fair value of loans is estimated on an exit price basis incorporating discounts for credit, liquidity and marketability factors.

***Accrued Interest Receivable***

The fair value of these financial instruments approximates carrying value.

***Federal Home Loan Bank of Indianapolis Stock***

The fair value of this financial instrument approximates carrying value.

***Deposits***

The fair value of noninterest-bearing and interest-bearing demand deposits, savings accounts and money market accounts approximates carrying value. The fair value of fixed maturity certificates of deposit and brokered deposits are estimated using rates currently offered for deposits of similar remaining maturities.

***Advances from Federal Home Loan Bank***

The fair value of fixed rate advances is estimated using rates currently offered for similar remaining maturities. The carrying value of variable rate advances approximates fair value.

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***Subordinated Debt***

The fair value of the Company's publicly traded subordinated debt is obtained from quoted market prices. The fair value of the Company's remaining subordinated debt is estimated using discounted cash flow analysis based on current borrowing rates for similar types of debt instruments.

***Accrued Interest Payable***

The fair value of these financial instruments approximates carrying value.

***Commitments***

The fair value of commitments to extend credit are based on fees currently charged to enter into similar agreements with similar maturities and interest rates. The Company determined that the fair value of commitments was zero based on the contractual value of outstanding commitments at December 31, 2025 and 2024.

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The following tables provide the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2025 and 2024:

|  | <b>December 31, 2025</b>             |                   |   |  |  |
|--|--------------------------------------|-------------------|---|--|--|
|  | <b>Fair Value Measurements Using</b> |                   |   |  |  |
|  | <b>Carrying Amount</b>               | <b>Fair Value</b> | <b>Quoted Prices In Active Markets for Identical Assets/Liabilities (Level 1)</b> | <b>Significant Other Observable Inputs (Level 2)</b> | <b>Significant Unobservable Inputs (Level 3)</b> |
| Cash and cash equivalents                    | \$ 456,777                           | \$ 456,777        | \$ 456,777  | \$ —   | \$ —   |
| Securities held-to-maturity                  | 250,609                              | 238,815           | —   | 238,815  | —  |
| Loans held-for-sale                          | 108,608                              | 117,917           | —   | 117,917  | —  |
| Net loans                                    | 3,691,042                            | 3,642,632         | —   | —  | 3,642,632  |
| Accrued interest receivable                  | 27,909                               | 27,909            | 27,909  | —  | —  |
| Federal Home Loan Bank of Indianapolis stock | 28,350                               | 28,350            | —   | 28,350   | —  |
| Deposits                                     | 4,839,813                            | 4,853,941         | 2,559,565   | —  | 2,294,376  |
| Advances from Federal Home Loan Bank         | 249,500                              | 252,046           | —   | 252,046  | —  |
| Subordinated debt                            | 105,465                              | 105,492           | 37,059  | 68,433   | —  |
| Accrued interest payable                     | 1,744                                | 1,744             | 1,744   | —  | —  |

|  | <b>December 31, 2024</b>             |                   |   |  |  |
|--|--------------------------------------|-------------------|---|--|--|
|  | <b>Fair Value Measurements Using</b> |                   |   |  |  |
|  | <b>Carrying Amount</b>               | <b>Fair Value</b> | <b>Quoted Prices In Active Markets for Identical Assets/Liabilities (Level 1)</b> | <b>Significant Other Observable Inputs (Level 2)</b> | <b>Significant Unobservable Inputs (Level 3)</b> |
| Cash and cash equivalents                    | \$ 466,410                           | \$ 466,410        | \$ 466,410  | \$ —   | \$ —   |
| Securities held-to-maturity                  | 249,796                              | 228,851           | —   | 228,851  | —  |
| Loans held-for-sale                          | 54,695                               | 58,510            | —   | 58,510   | —  |
| Net loans                                    | 4,125,877                            | 3,935,009         | —   | —  | 3,935,009  |
| Accrued interest receivable                  | 28,180                               | 28,180            | 28,180  | —  | —  |
| Federal Home Loan Bank of Indianapolis stock | 28,350                               | 28,350            | —   | 28,350   | —  |
| Deposits                                     | 4,933,206                            | 4,943,961         | 2,236,724   | —  | 2,707,237  |
| Advances from Federal Home Loan Bank         | 295,000                              | 291,208           | —   | 291,208  | —  |
| Subordinated debt                            | 105,150                              | 103,062           | 37,059  | 66,003   | —  |
| Accrued interest payable                     | 2,495                                | 2,495             | 2,495   | —  | —  |

**Note 17: Mortgage Banking Activities**

The Bank's residential real estate lending business originated mortgage loans for customers and typically sold a majority of the originated loans into the secondary market. For most of the mortgages sold in the secondary market, the Bank hedged its mortgage banking pipeline by entering into forward contracts for the future delivery of mortgage loans to third party investors and entering into IRLCs with potential borrowers to fund specific mortgage loans that would be sold into the secondary market. To facilitate the hedging of the loans, the Bank elected the fair value option for loans originated and intended for sale in the secondary market under mandatory pricing agreements. Changes in the fair value of loans held-for-sale, IRLCs and forward contracts are recorded in the mortgage banking activities line item within noninterest income. Refer to Note 18 for further information on derivative financial instruments.

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During the years ended December 31, 2025 and 2024, the Company originated no mortgage loans held-for-sale and did not sell any mortgage loans into the secondary market. During the year ended December 31, 2023, the Company originated mortgage loans held-for-sale of \$36.3 million and received \$46.5 million from the sale of mortgage loans into the secondary market. During the first quarter 2023, the Company made the decision to exit the residential mortgage business.

The following table provides the components of income from mortgage banking activities for the years ended December 31, 2025, 2024 and 2023.

|   | <b>Year Ended December 31,</b> |             |              |
|---|--------------------------------|-------------|--------------|
|   | <b>2025</b>                    | <b>2024</b> | <b>2023</b>  |
| Gain on loans sold  | \$ —                           | \$ —        | \$ 471       |
| Loss resulting from the change in fair value of loans held-for-sale | —                              | —           | (143)        |
| Loss resulting from the change in fair value of derivatives         | —                              | —           | (252)        |
| Net revenue from mortgage banking activities                        | <u>\$ —</u>                    | <u>\$ —</u> | <u>\$ 76</u> |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
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**Note 18: Derivative Financial Instruments**

The Company uses derivative financial instruments from time to time to help manage exposure to interest rate risk and the effects that changes in interest rates may have on net income and the fair value of assets and liabilities. The Company enters into interest rate swap agreements as part of its asset/liability management strategy to help manage its interest rate risk position.

The Company offers interest rate swaps to certain loan customers to allow them to hedge the risk of rising interest rates on their variable rate loans. The Company originates a variable rate loan and enters into a variable-to-fixed interest rate contract with the customer. The Company also enters into an offsetting interest rate swap with a correspondent bank. These back-to-back swap agreements are intended to offset each other and allow the Company to originate a variable rate loan, while providing a contract for fixed interest payments for the customer. The net cash flow for the Company is equal to the interest income received from a variable rate loan originated with the customer. The fair value of these derivatives is based on a discounted cash flow approach.

In December 2024, the Company terminated interest rate swaps utilized as cash flow hedges against Federal Home Loan Bank advances, which resulted in swap termination receipts from counterparties of \$2.9 million. As the Company had no further liability exposure to the underlying index hedged, the Company reclassified this amount from accumulated other comprehensive loss to the consolidated statements of operations and recognized a gain on termination of interest rate swaps for the year ended December 31, 2024.

In November 2024, the Company's interest rate swap derivative designated as fair value hedges matured. As a result, the Company has no remaining fair value hedge exposure at December 31, 2024.

In March 2021, the Company terminated the last of layer interest rate swaps associated with available-for-sale agency mortgage-backed securities - residential, which resulted in swap termination payments to counterparties totaling \$1.9 million. The corresponding fair value hedging adjustment was allocated pro-rata to the underlying hedged securities and is being amortized over the remaining lives of the designated securities. The Company had amortization expense totaling less than \$0.1 million for the years ended December 31, 2025 and 2024, which was recognized as a reduction to interest income on securities.

In June 2020, the Company terminated all fair value hedging relationships associated with loans, which resulted in swap termination payments to counterparties totaling \$46.1 million. The corresponding loan fair value hedging adjustment as of the date of termination is being amortized over the remaining lives of the designated loans, which have a weighted average term to maturity of 8.8 years as of December 31, 2025. During the years ended December 31, 2025 and 2024, amortization expense totaling \$3.8 million and \$4.9 million, respectively, related to these previously terminated fair value hedges was recognized as a reduction to interest income on loans.

The following table presents the notional amount and fair value of interest rate swaps utilized by the Company at December 31, 2025 and 2024.

| <i>(amounts in thousands)</i>                            | December 31, 2025 |            | December 31, 2024 |            |
|--|-------------------|------------|-------------------|------------|
|  | Notional Amount   | Fair Value | Notional Amount   | Fair Value |
| <b>Asset Derivatives</b>                                 |                   |            |                   |            |
| <u>Derivatives not designated as hedging instruments</u> |                   |            |                   |            |
| Back-to-back swaps                                       | \$ 45,050         | \$ 210     | \$ 27,214         | \$ 200     |
| Total contracts  | \$ 45,050         | \$ 210     | \$ 27,214         | \$ 200     |
| <b>Liability Derivatives</b>                             |                   |            |                   |            |
| <u>Derivatives not designated as hedging instruments</u> |                   |            |                   |            |
| Back-to-back swaps                                       | \$ 45,050         | \$ (210)   | \$ 27,214         | \$ (200)   |
| Total contracts  | \$ 45,050         | \$ (210)   | \$ 27,214         | \$ (200)   |

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The fair values of interest rate swaps were estimated using a discounted cash flow method that incorporates current market interest rates as of the balance sheet date. Refer to “Note 16 - Fair Value of Financial Instruments” for additional information.

Back-to-back swaps consist of two interest-rate swaps (a customer swap and an offsetting counterparty swap). As a result of this offsetting relationship, no net gains or losses are recognized in income. The Company received no cash collateral from counterparties as security for their obligations related to these swap transactions at December 31, 2025 and 2024. The Company pledged cash collateral of \$0.3 million and \$0 as of December 31, 2025 and 2024, respectively, to counterparties as security for its obligations related to these agreements. Collateral posted and received is dependent on the market valuation of the underlying hedges.

The following table presents the effects of the Company's cash flow hedge relationships on the consolidated statements of comprehensive (loss) income during the twelve months ended December 31, 2025, 2024 and 2023.

| <i>(amounts in thousands)</i> | <b>Amount of Loss Recognized in Other Comprehensive (Loss) Income in the Twelve Months Ended</b> |                          |                          |
|-------------------------------|--|--------------------------|--------------------------|
|                               | <b>December 31, 2025</b>   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
| Interest rate swap agreements | \$ —   | \$ —                     | \$ (2,566)               |

The Company had no changes in the fair value of derivatives not designated as hedging instruments on the condensed consolidated statements of operations during the twelve months ended December 31, 2025 and 2024.

The following table summarizes the effect of periodic changes in the fair value of derivatives not designated as hedging instruments on the condensed consolidated statements of operations for the twelve months ended December 31, 2025, 2024 and 2023.

| <i>(amounts in thousands)</i>                            | <b>Amount of Loss Recognized in the Twelve Months Ended</b> |                          |                          |
|--|---|--------------------------|--------------------------|
|  | <b>December 31, 2025</b>                                    | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
| <b>Liability Derivatives</b>                             |   |                          |                          |
| <u>Derivatives not designated as hedging instruments</u> |   |                          |                          |
| IRLCs  | \$ —  | \$ —                     | \$ (133)                 |
| Forward contracts  | —   | —                        | (119)                    |

The following table presents the effects of the Company's interest rate swap agreements on the condensed consolidated statements of operations during the twelve months ended December 31, 2025, 2024 and 2023.

| <b>Line Item in the Condensed Consolidated Statements of Operations</b> | <b>December 31, 2025</b> | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|--------------------------|
| <u>Interest income</u>  |                          |                          |                          |
| Securities - non-taxable  | \$ —                     | \$ 1,367                 | \$ 1,471                 |
| Total interest income   | —                        | 1,367                    | 1,471                    |
| <u>Interest expense</u>   |                          |                          |                          |
| Deposits  | —                        | (424)                    | (1,671)                  |
| Other borrowed funds  | —                        | (2,833)                  | (2,622)                  |
| Total interest expense  | —                        | (3,257)                  | (4,293)                  |
| Net interest income   | \$ —                     | \$ 4,624                 | \$ 5,764                 |
| <u>Noninterest income</u>   |                          |                          |                          |
| Other <sup>1</sup>  | \$ —                     | \$ 2,904                 | \$ —                     |
| Total noninterest income  | \$ —                     | \$ 2,904                 | \$ —                     |

<sup>1</sup> The Company recognized a gain on termination of interest rate swaps for the year ended December 31, 2024.

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**Note 19: Shareholders' Equity**

On December 19, 2022, the Company's Board of Directors approved a stock repurchase program that authorized the repurchase of up to \$25.0 million of our outstanding common stock from time to time on the open market or in privately negotiated transactions. The stock repurchase authorization expired on December 31, 2024. Under the program, the Company repurchased 559,522 shares of common stock, at an average price of \$19.06, for a total investment of \$10.7 million.

On October 20, 2025, the Board of Directors of the Company authorized the repurchase of up to \$25.0 million of the Company's outstanding common stock from time to time on the open market or in privately negotiated transactions. Under the program, the Company repurchased 27,998 shares of common stock, at an average price of \$18.64, for a total investment of \$0.5 million as of December 31, 2025. The stock repurchase authorization is scheduled to expire on September 30, 2027.

The stock repurchase authorization may be modified, suspended, or discontinued at any time and does not commit the Company to repurchase shares of its common stock. The actual number and value of the shares to be purchased, if any, will depend on the performance of the Company's stock price and other market conditions.

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**Note 20: Accumulated Other Comprehensive Loss**

The components of accumulated other comprehensive loss, included in stockholders' equity, are presented in the table below.

|   | Available-<br>For-Sale<br>Securities | Unrealized<br>Losses on<br>Debt<br>Securities<br>Transferred<br>from<br>Available-<br>for-Sale to<br>Held-to-<br>Maturity | Cash Flow<br>Hedges | Total              |
|---|--------------------------------------|---|---------------------|--------------------|
| <b>Balance, January 1, 2023</b>   | \$ (35,831)                          | \$ (3,519)  | \$ 5,714            | \$ (33,636)        |
| Net unrealized holding gains (losses) recorded within other comprehensive income before income tax          | 7,339                                | —   | (2,566)             | 4,773              |
| Amortization of net unrealized losses on securities transferred from available-for-sale to held-to-maturity | —                                    | 778   | —                   | 778                |
| Other comprehensive income (loss) before tax  | 7,339                                | 778   | (2,566)             | 5,551              |
| Income tax provision (benefit)  | 1,682                                | 198   | (590)               | 1,290              |
| Other comprehensive income (loss) - net of tax  | 5,657                                | 580   | (1,976)             | 4,261              |
| <b>Balance, December 31, 2023</b>   | <u>\$ (30,174)</u>                   | <u>\$ (2,939)</u>   | <u>\$ 3,738</u>     | <u>\$ (29,375)</u> |
| Net unrealized holding losses recorded within other comprehensive income before income tax                  | \$ (1,039)                           | \$ —  | \$ (1,082)          | \$ (2,121)         |
| Reclassification of gain on termination of interest rate swaps  | —                                    | —   | (2,904)             | (2,904)            |
| Amortization of net unrealized losses on securities transferred from available-for-sale to held-to-maturity | —                                    | 789   | —                   | 789                |
| Other comprehensive (loss) income before tax  | (1,039)                              | 789   | (3,986)             | (4,236)            |
| Income tax (benefit) provision  | (800)                                | 90  | (248)               | (958)              |
| Other comprehensive (loss) income - net of tax  | (239)                                | 699   | (3,738)             | (3,278)            |
| <b>Balance, December 31, 2024</b>   | <u>\$ (30,413)</u>                   | <u>\$ (2,240)</u>   | <u>\$ —</u>         | <u>\$ (32,653)</u> |
| Net unrealized holding gains recorded within other comprehensive income before income tax                   | \$ 15,764                            | \$ —  | \$ —                | \$ 15,764          |
| Amortization of net unrealized losses on securities transferred from available-for-sale to held-to-maturity | —                                    | 515   | —                   | 515                |
| Other comprehensive income before tax   | 15,764                               | 515   | —                   | 16,279             |
| Income tax provision  | 3,628                                | 128   | —                   | 3,756              |
| Other comprehensive income - net of tax   | 12,136                               | 387   | —                   | 12,523             |
| <b>Balance, December 31, 2025</b>   | <u>\$ (18,277)</u>                   | <u>\$ (1,853)</u>   | <u>\$ —</u>         | <u>\$ (20,130)</u> |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)

**Note 21: Condensed Financial Information (Parent Company Only)**

Presented below is condensed financial information as to the financial position, results of operations, and cash flows of the Company on a non-consolidated basis:

**Condensed Balance Sheets**

|  | <b>Year Ended December 31,</b> |                   |
|--|--------------------------------|-------------------|
|  | <b>2025</b>                    | <b>2024</b>       |
| <b>Assets</b>  |                                |                   |
| Cash and cash equivalents  | \$ 14,508                      | \$ 12,997         |
| Investment in common stock of subsidiaries   | 426,347                        | 458,025           |
| Accrued income and other assets  | 35,148                         | 19,983            |
| Total assets   | <u>\$ 476,003</u>              | <u>\$ 491,005</u> |
| <b>Liabilities and shareholders' equity</b>  |                                |                   |
| Subordinated debt, net of unamortized discount and debt issuance costs of \$1,535 and \$1,850 in 2025 and 2024, respectively | \$ 105,466                     | \$ 105,150        |
| Accrued expenses and other liabilities   | 10,770                         | 1,792             |
| Total liabilities  | 116,236                        | 106,942           |
| Shareholders' equity   | 359,767                        | 384,063           |
| Total liabilities and shareholders' equity   | <u>\$ 476,003</u>              | <u>\$ 491,005</u> |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)

**Condensed Statements of Operations**

|  | Year Ended December 31, |                  |                 |
|--|-------------------------|------------------|-----------------|
|  | 2025                    | 2024             | 2023            |
| <b>Income</b>  |                         |                  |                 |
| Dividends from bank subsidiary   | \$ 16,000               | \$ 16,000        | \$ 12,000       |
| Other  | 1,774                   | 905              | 188             |
| Total income   | <u>17,774</u>           | <u>16,905</u>    | <u>12,188</u>   |
| <b>Expenses</b>  |                         |                  |                 |
| Interest on borrowings   | 6,400                   | 6,021            | 5,376           |
| Salaries and employee benefits   | 1,246                   | 1,223            | 1,203           |
| Consulting and professional fees   | 2,033                   | 1,937            | 1,572           |
| Premises and equipment   | 45                      | 45               | 126             |
| Other  | 242                     | 250              | 280             |
| Total expenses   | <u>9,966</u>            | <u>9,476</u>     | <u>8,557</u>    |
| <b>Income before income tax and equity in undistributed net income of subsidiaries</b> | 7,808                   | 7,429            | 3,631           |
| <b>Income tax benefit</b>  | <u>(1,831)</u>          | <u>(2,080)</u>   | <u>(1,817)</u>  |
| <b>Income before equity in undistributed net income of subsidiaries</b>                | 9,639                   | 9,509            | 5,448           |
| <b>Equity in undistributed net (loss) income of subsidiaries</b>                       | <u>(44,807)</u>         | <u>15,767</u>    | <u>2,969</u>    |
| <b>Net (loss) income</b>   | <u>\$ (35,168)</u>      | <u>\$ 25,276</u> | <u>\$ 8,417</u> |

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**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)  
**Condensed Statements of Comprehensive (Loss) Income**

|   | Year Ended December 31, |           |           |
|---|-------------------------|-----------|-----------|
|   | 2025                    | 2024      | 2023      |
| Net (loss) income   | \$ (35,168)             | \$ 25,276 | \$ 8,417  |
| Other comprehensive income (loss)   |                         |           |           |
| Securities available-for-sale   |                         |           |           |
| Net unrealized holding gains (losses) on securities available-for-sale recorded within other comprehensive income before income tax | 15,764                  | (1,039)   | 7,339     |
| Income tax provision (benefit)  | 3,628                   | (800)     | 1,682     |
| Net effect on other comprehensive income (loss)   | 12,136                  | (239)     | 5,657     |
| Securities held-to-maturity   |                         |           |           |
| Amortization of net unrealized holding losses on securities transferred from available-for-sale to held-to-maturity                 | 515                     | 789       | 778       |
| Income tax provision  | 128                     | 90        | 198       |
| Net effect on other comprehensive income (loss)   | 387                     | 699       | 580       |
| Cash flow hedges  |                         |           |           |
| Net unrealized holding losses on cash flow hedging derivatives recorded within other comprehensive income (loss) before income tax  | —                       | (1,082)   | (2,566)   |
| Reclassification of gain on termination of interest rate swaps  | —                       | (2,904)   | —         |
| Income tax benefit  | —                       | (248)     | (590)     |
| Net effect on other comprehensive loss  | —                       | (3,738)   | (1,976)   |
| Total other comprehensive income (loss)   | 12,523                  | (3,278)   | 4,261     |
| Comprehensive (loss) income   | \$ (22,645)             | \$ 21,998 | \$ 12,678 |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)

**Condensed Statements of Cash Flows**

|   | <b>Year Ended December 31,</b> |                  |                  |
|---|--------------------------------|------------------|------------------|
|   | <b>2025</b>                    | <b>2024</b>      | <b>2023</b>      |
| <b>Operating activities</b>   |                                |                  |                  |
| Net (loss) income   | \$ (35,168)                    | \$ 25,276        | \$ 8,417         |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                |                  |                  |
| Equity in undistributed net income of subsidiaries                                | 44,807                         | (15,767)         | (2,969)          |
| Depreciation and amortization   | 316                            | 312              | 318              |
| Share-based compensation expense  | 397                            | 363              | 256              |
| Net change in other assets  | (7,217)                        | 1,506            | (1,819)          |
| Net change in other liabilities   | 8,969                          | (522)            | 358              |
| Net cash provided by operating activities   | <u>12,104</u>                  | <u>11,168</u>    | <u>4,561</u>     |
| <b>Investing activities</b>   |                                |                  |                  |
| Purchase of equity investments  | <u>(7,723)</u>                 | <u>(7,221)</u>   | <u>(3,578)</u>   |
| Net cash used in investing activities   | <u>(7,723)</u>                 | <u>(7,221)</u>   | <u>(3,578)</u>   |
| <b>Financing activities</b>   |                                |                  |                  |
| Cash dividends paid   | (2,087)                        | (2,078)          | (2,156)          |
| Repurchase of common stock  | (521)                          | (283)            | (9,340)          |
| Other, net  | <u>(262)</u>                   | <u>(182)</u>     | <u>(153)</u>     |
| Net cash used in by financing activities  | <u>(2,870)</u>                 | <u>(2,543)</u>   | <u>(11,649)</u>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>                       | <u>1,511</u>                   | <u>1,404</u>     | <u>(10,666)</u>  |
| <b>Cash and cash equivalents at beginning of year</b>                             | <u>12,997</u>                  | <u>11,593</u>    | <u>22,259</u>    |
| <b>Cash and cash equivalents at end of year</b>                                   | <u>\$ 14,508</u>               | <u>\$ 12,997</u> | <u>\$ 11,593</u> |

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)

**Note 22:           Segment Information**

The Company operates as a single reportable segment, managing the business and assessing financial performance on a consolidated basis. While there are several lines of business within the operating segment, they are closely interrelated and cannot operate independently. Accordingly, the CODM evaluates operations and financial performance on a Company-wide basis and all of the Company's operations are aggregated into one reportable operating segment.

The CODM regularly receives and reviews the Company's net income on a consolidated basis and uses key metrics to evaluate the overall performance of the Company and make decisions regarding the allocation of resources. Additionally, the CODM reviews budget-to-actual variances to analyze these profit measures as a single operating segment.

The function of the CODM is performed by the Finance Committee. This Committee consists of the highest level of management that is responsible for the Company's overall resource allocation and performance. The Finance Committee includes the Chairman and Chief Executive Officer, President and Chief Operating Officer and Executive Vice President and Chief Financial Officer.

**First Internet Bancorp**  
**Notes to Consolidated Financial Statements**  
(Tabular dollar amounts in thousands except per share data)

**Note 23: Recent Accounting Pronouncements**

***Recently Adopted Accounting Standards***

*ASU 2023-02 - Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (March 2023)*

In March 2023, the FASB issued ASU No. 2023-02, Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method. This ASU permits companies to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. The Company adopted this guidance on January 1, 2024 and it did not have a material impact on its consolidated financial statements.

*ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures (December 2023)*

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. This ASU enhances the transparency and usefulness of income tax disclosures, which addresses investor requests for more transparency about income tax disclosures related primarily to the rate reconciliation and income taxes paid information. The Company adopted this guidance on January 1, 2025 and it did not have a material impact on its consolidated financial statements.

***Newly Issued But Not Yet Effective Accounting Standards***

*ASU 2024-03 - Income Statement-Reporting Comprehensive Income - Expense Disaggregations Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (November 2024)*

In November 2024, the FASB issued ASU No. 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregations Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires additional disclosures of the nature of expenses included in the Company's income statement. The new standard requires disclosures about specific types of expenses included in the income statement. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

*ASU 2025-08 - Financial Instruments - Credit Losses (Topic 326) - Purchased Loans (November 2025)*

In November 2025, the FASB issued ASU No. 2025-08, Financial Instruments - Credit Losses (Topic 326) - Purchased Loans. This ASU changes the accounting for certain acquired purchased seasoned loans ("PSL") by applying the gross-up method, which records an allowance for expected credit losses at acquisition as an adjustment to amortized cost basis rather than a day one provision through earnings. The guidance is intended to simplify post-acquisition accounting, reduce inconsistency between PCD and non-PCD loans, and eliminate day one credit loss expense for in-scope PSLs. The amendments are effective for public business entities for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

*ASU 2025-09 - Derivatives and Hedging (Topic 815) - Hedge Accounting Improvements (November 2025)*

In November 2025, the FASB issued ASU No. 2025-09 Derivatives and Hedging (Topic 815): Hedge Accounting Improvements. This ASU intends to better align hedge accounting with entities' risk management activities. Key amendments include expanding the ability to group forecasted transactions with similar (rather than identical) risk exposure, establishing a model for hedging interest payments on choose-your-rate debt, expanding hedge accounting for certain forecasted nonfinancial transactions, and updating guidance on net written options and foreign-currency-denominated debt. The amendments are effective for public business entities for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

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# EXECUTIVE & SHAREHOLDER INFORMATION

## BOARD OF DIRECTORS OF FIRST INTERNET BANCORP

**David B. Becker**  
Chairman and  
Chief Executive Officer

**Aasif M. Bade**  
Chief Executive Officer,  
Ambrose Property  
Group, LLC

**Justin P. Christian**  
Co-Founder, President  
and Chief Executive Officer,  
BCforward

**Ann Colussi Dee**  
Former Executive Vice  
President, General Counsel  
and Corporate Secretary,  
Duke Realty Corporation

**Joseph A. Fenech**  
Chief Investment Officer,  
GenOpp Capital Management LP

**John K. Keach, Jr.**  
Private Investor,  
Former Chairman,  
President and  
Chief Executive  
Officer, Indiana  
Community Bancorp

**Michele "Mel" Raines**  
Chief Executive Officer,  
Pacers Sports & Entertainment

**Jean L. Wojtowicz**  
President,  
Cambridge Capital  
Management Corp.

## EXECUTIVE OFFICERS OF FIRST INTERNET BANCORP

**David B. Becker**  
Chairman and  
Chief Executive Officer

**Nicole S. Lorch**  
President,  
Chief Operating Officer and  
Corporate Secretary

**Kenneth J. Lovik**  
Executive Vice President and  
Chief Financial Officer

## SHAREHOLDER INFORMATION

**Common Stock**  
First Internet Bancorp is listed  
on the Nasdaq Global Select  
Market under the symbol INBK

**Corporate Headquarters**  
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You can find First Internet Bank  
on these social media feeds:

